

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 22 FEB 2022

DAY:
TUESDAY

TABLED
BY:

LOM

CLERK-AT
THE-TABLE:

Mainah Wanjiku

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
NANDI HILLS CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NANDI HILLS
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) NANDI HILLS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Core Values

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

(b) Key Management

The NGCDF NANDI HILLS 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.I member	JOSHUA BORE
2.	Sub-County Accountant	JOSEPH ROTICH
3.	Chairman NGCDFC	CHARLES LIMO
4.	Member NGCDFC	SARAH MELLY

(d) Fiduciary Oversight Arrangements

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

P.O. Box 731-30100
NGCDF Building
NANDI HILLS

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NANDI HILLS CONSTITUENCY
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For the year ended June 30, 2019**

(f) NGCDF NANDI HILLS Constituency Contacts

Telephone: (254) 0725289356
E-mail: cdfnandihillsconstituency@gmail.com
Website: www.ngcdfnandihillsconstituency.go.ke

(g) NGCDF NANDI HILLS Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank
Nandi Hills Branch
P O Box 2220-30100
Nandi Hills.

(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)
NANDI HILLS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

This report and financial statement represents the financial position of Nandi Hills constituency for the financial year 2018/2019. It lays down the receipts and expenditures of all the funds that Nandi Hills NG-CDFC received from the NG-CDF BOARD.

I wish to make the following remarks;

a). Year Performance

In the financial year 2018/2019 Nandi Hills NG-CDF was able to achieve the following comparative performance in various sectors

PAYMENTS	Final Budget	total expenditure	budget utilization difference	% of utilization
Compensation of Employees	3,151,265	1,778,225	1,373,040	56.4%
Use of goods and services	12,012,449	11,471,720	540,729	95.5%
Transfers to Other Government Units	111,705,834	67,361,832	44,344,002	60.3%
Other grants and transfers	47,988,063	34,150,553	13,837,510	71.2%
Other payments (Retention)	-	-	-	0.00%
Acquisition of Assets	1,000,916	520,288	480,628	52.0%
Constituency Strategic Plan	3,000,000	2,987,853	12,147	99.6%
TOTAL	178,858,527	118,270,471	60,588,056	66.1%

b).NG-CDF NANDI HILLS have been able to achieve the following;

1. It has completed 29 primary school projects, 35 secondary school projects, 1 security project which are in use and has resulted in improved infrastructure in our institutions.
2. Funded 2722 needy students in both secondary and tertiary institutions which has resulted in students' retention in school and improved their academic performance in the FYR2018/2019.

c). Emerging issues related to NG-CDF in NANDI HILLS Constituency are;

1. All learning institutions i.e. secondary and primary schools depend on NG-CDF 100% on development as directed by ministry of education
2. Need to compete with counties to justify the long existence of NG-CDF

d). NG-CDF Implementation challenges in NANDI HILLS Constituency are;

1. Overdependence of the fund by the public on all development related issues. (Here public participation is involved in identification of projects for funding and bursary beneficiaries within the constituency).
2. Funds disbursement from the board is at times untimely leading to unnecessary adjustments. (NG-CDF committee is disbursing funds as soon as funds are received).
3. Many projects allocated funds- leading to projects receiving insufficient funds (NG-CDF is focusing on allocating enough funds to complete the project within 2 years).
4. Implementation of projects through labour based which makes it difficult to comply with all government regulations on procurement and line ministry supervision. (NG-CDFC is educating the Project Management Committees to contract contractors on full contract.)

Through my leadership, NG-CDFC Nandi Hills constituency will endeavour to fulfil its mandate in disbursement and monitoring of projects funds as per the guidelines of the NG-CDF ACT 2015

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

CHARLES LIMO



CHAIRMAN NGCDF COMMITTEE

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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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-NANDI HILLS Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-NANDI HILLS Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-NANDI HILLS 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-NANDI HILLS 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-NANDI HILLS Constituency financial statements were approved and signed by the Accounting Officer on 30th June, 2019.



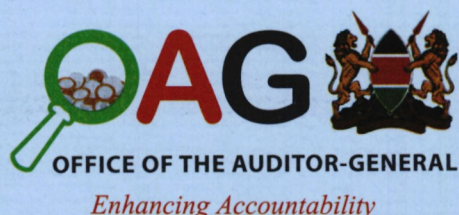
Fund Account Manager
Name: JOSHUA BORE



Sub-County Accountant
Name: JOSEPH ROTICH
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Nandi Hills Constituency set out on pages 7 to 48, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund Constituencies - Nandi Hills Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.3,453,330 as at 30 June, 2019 in Note 10A consisting of a bank balance held at equity bank account number 0920261628747. However, the bank reconciliation statement for the month of June, 2019 reflects an amount of Kshs.6,274,159 as payment in bank statements not recorded in cash book. No evidence of reversal or clearance of cheques in the cash book or in the bank, was provided for audit verification.

Consequently, the accuracy and validity of the bank balance of Kshs.3,453,330 as at 30 June, 2019 could not be confirmed.

2.0 Unsupported Project Management Committee Bank Balances

As previously reported, Note 15.4 to the financial statements reflects Project Management Committee (PMC) bank balances totalling Kshs.19,895,968 as at 30 June, 2019 whose bank account details have not been disclosed. In addition, the cash books, bank balances and bank reconciliation statements for the individual project management committee bank accounts were not provided for audit review. Consequently, the existence, accuracy, validity and completeness of the project management committee bank balances of Kshs.19,895,968 as at 30 June, 2019 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 - Nandi Hills 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

1.0 Budgetary Control and Performance

The summary statement of appropriation- recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.178,858,527 and Kshs.121,730,801 respectively resulting to an under-funding of Kshs.57,127,726 or 32% of the budget. Similarly, the Fund spent Kshs.118,270,471 against an approved budget of Kshs.178,858,527 resulting to an under-expenditure of Kshs.60,588,056 or 34% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Nandi Hills Constituency.

2.0 Project Implementation

Nandi Hills Nandi Hills National Government Constituencies Development Fund had a total of 149 projects in their records which had been implemented to various stages of completion as at the time of audit in December, 2019. 33 projects were ongoing whereas the rest had been completed.

No reasons were provided to as why the thirty-three (33) projects were not executed to completion when funds for the same had been disbursed.

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 governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

30 December, 2021

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	106,748,273	43,405,172
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>7,000</u>	<u>0</u>
TOTAL RECEIPTS		106,755,273	43,405,172
PAYMENTS			
Compensation of employees	4	1,778,225	1,048,735
Use of goods and services	5	11,471,720	1,220,069
Transfers to Other Government Units	6	67,361,832	4,781,954
Other grants and transfers	7	34,150,553	25,442,054
Acquisition of Assets	8	520,288	0
Other Payments	9	<u>2,987,853</u>	<u>0</u>
TOTAL PAYMENTS		118,270,471	32,492,812
SURPLUS/(DEFICIT)		<u>(11,515,198)</u>	<u>10,912,360</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NANDI HILLS Constituency financial statements were approved on 30th June, 2019 and signed by:

 Fund Account Manager
 Name: JOSHUA BORE



 Sub-County Accountant
 Name: JOSEPH ROTICH
 ICPAK Member Number:


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

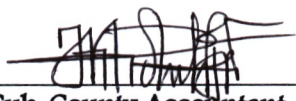
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,453,330	11,068,528
Cash Balances (cash at hand)	10B	0	2,400,000
Total Cash and Cash Equivalents		3,453,330	13,468,528
Current Receivables			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		3,453,330	13,468,528
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	0
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITES		0	
NET FINANCIAL ASSETS		3,453,330	13,468,528
REPRESENTED BY			
Fund balance b/fwd	13	13,468,528	2,556,168
Surplus/Deficit for the year		(11,515,198)	10,912,360
Prior year adjustments	14	1,500,000	
NET FINANCIAL POSITION		3,453,330	13,468,528

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

30th June, 2019 and signed by:


 Fund Account Manager
 Name: JOSHUA BORE

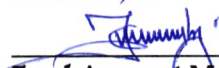

 Sub-County Accountant
 Name: JOSEPH ROTICH
 ICPAK Member Number:

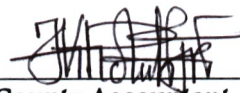
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NANDI HILLS CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019**

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	106,748,273	43,405,172
Other Receipts	3	<u>7,000</u>	<u>0</u>
Total receipts		106,755,273	43,405,172
Payments			
Compensation of Employees	4	1,778,225	1,048,735
Use of goods and services	5	11,471,720	1,220,069
Transfers to Other Government Units	6	67,361,832	4,781,954
Other grants and transfers	7	34,150,553	25,442,054
Other Payments	9	2,987,853	0
Total payments		(117,750,183)	(32,492,812)
Total Receipts Less Total Payments		(10,994,910)	10,912,360
Adjusted for:			
Outstanding imprest	11	(0)	(2,400,000)
Retention Payable	12A	0	0
Gratuity Payable	12B	0	0
Prior year adjustments	14	1,500,000	0
Net Adjustments		1,500,00	(2,400,000)
Net cash flow from operating activities		(9,494,910)	8,512,360
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(520,288)	(0)
Net cash flows from Investing Activities		(520,288)	0
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,015,198)	8,512,360
Cash and cash equivalent at BEGINNING of the year	13	13,468,528	2,556,168
Cash and cash equivalent at END of the year		<u>3,453,330</u>	<u>11,068,528</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NANDI HILLS Constituency financial statements were approved on 30th June, 2019 and signed by:


 Fund Account Manager
 Name: JOSHUA BORE


 Sub-County Accountant
 Name: JOSEPH ROTICH
 ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY

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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	69,810,651	178,851,527	121,723,801	57,127,726	68.1%
Proceeds from Sale of Assets						
Other Receipts		7,000	7,000	7,000	0	100%
PAYMENTS						
Compensation of Employees	2,100,000	1,051,265	3,151,265	1,778,225	1,373,040	56.4%
Use of goods and services	7,112,763	4,899,686	12,012,449	11,471,720	540,729	95.5%
Transfers to Other Government Units	59,766,350	51,939,484	111,705,834	67,361,832	44,344,002	60.3%
Other grants and transfers	39,460,847	8,527,216	47,988,063	34,150,553	13,837,510	71.2%
Acquisition of Assets	600,916	400,000	1,000,916	520,288	480,628	52.0%
Other Payments (strategic plan)		3,000,000	3,000,000	2,987,853	12,147	99.6%
TOTALS	109,040,876	68,817,651	178,858,527	118,270,471	60,588,056	66.1%

(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. Compensation of Employees is underutilised since gratuity is yet to be paid as at the year end.
- ii. Transfers to other government units are underutilized due to delay in disbursement of funds by Ng-cdf board to the constituency.
- iii. Other grants and transfers are underutilized due to delay in disbursement of funds by Ng-cdf board to the constituency.
- iv. Acquisition of assets is underutilized due to delay in disbursement of funds by Ng-cdf board to the constituency.
- v.


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY
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(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-NANDI HILLS Constituency financial statements were approved on 30th July 2019 and signed by:



Fund Account Manager
Name: JOSHUA BORE



Sub-County Accountant
Name: JOSEPH ROTICH
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY
Reports and Financial Statements
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,100,000	1,051,265	3,151,265	1,778,225	1,373,040
1.2 Committee allowances	1,957,031.84	1,120,200	3,077,231.84	2,649,496.26	427,735.58
1.3 Use of goods and services	1,884,504.73	1,612,279.31	3,496,784.04	3,184,007.48	312,776.56
1.3 Use of goods and services		7,000	7,000	0	7,000
2.0 Monitoring and evaluation					
2.1 Capacity building	1,220,156	1,220,156	2,440,312	2,240,312	200,000
2.2 Committee allowances	1,246,000	167,379.32	1,413,379.32	1,185,643.74	227,735.58
2.3 Use of goods and services	805,070.26	572,671.56	1,377,741.82	1,209,223.56	168,518.26
3.0 Emergency					
3.1 Primary Schools	5,738,993.45	2,727,931.03	8,466,924.48	2,300,858	6,166,066.48
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security					
4.1 Primary Schools	0	0	0	0	0
4.2 Secondary Schools	12,304,087.55	0	12,304,087.55	12,161,000	143,087.55
4.3 Tertiary Institutions	14,956,131.33	57,658	15,013,789.33	15,057,000	(43,210.67)
4.4 Universities	0	0	0	0	0
4.5 Social Security	0	0	0	0	0
5.0 Sports					
5.1	2,180,817.51	1,536,206.90	3,717,024.41	1,915,074	1,801,950.41
5.2					
6.0 Environment					
6.1	2,180,817.51	1,536,206.9	3,717,024.41	0	3,717,024.41

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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on Comparable Basis 2018/2019	Budget utilization difference
7.0 Primary Schools Projects (List all the Projects)					
CHEBILAT PRIMARY SCHOOL	0	1,000,000	1,000,000	1,000,000	0
CHEBINYINY PRIMARY SCHOOL	200,000	500,000	700,000	700,000	0
CHEPTINGTING PRIMARY SCHOOL	0	500,000	500,000	500,000	0
KABIKWEN PRIMARY SCHOOL	0	1,700,000	1,700,000	1,700,000	0
MOGOBICH PRIMARY SCHOOL	500,000	700,000	1,200,000	700,000	500,000
KAPCHUMBA PRIMARY SCHOOL	700,000	1,500,000	2,200,000	2,000,000	200,000
KAPNYEMIS PRIMARY SCHOOL	0	500,000	500,000	500,000	0
KAPSEAN PRIMARY SCHOOL	0	700,000	700,000	700,000	0
KAPTUMA PRIMARY SCHOOL	0	500,000	500,000	500,000	0
KEBEN PRIMARY SCHOOL	400,000	500,000	900,000	500,000	400,000
KETENG PRIMARY SCHOOL	0	500,000	500,000	500,000	0
KIMOLONIK PRIMARY SCHOOL	0	500,000	500,000	500,000	0
KIPKOROM PRIMARY SCHOOL	0	976,249	976,249	976,249	0
KIPSAMOO PRIMARY SCHOOL	0	500,000	500,000	0	500,000
KITECHGAA PRIMARY SCHOOL	0	500,000	500,000	500,000	0
KOIMUR PRIMARY SCHOOL	400,000	600,000	1,000,000	600,000	400,000
SILE PRIMARY SCHOOL	0	500,000	500,000	500,000	0
SIMBI PRIMARY SCHOOL	400,000	1,500,000	1,900,000	1,500,000	400,000
ST PAULS KAPTIEN PRIMARY SCHOOL	0	1,000,000	1,000,000	1,000,000	0
NUKIAT PRIMARY SCHOOL	700,000	700,000	1,400,000	700,000	700,000
LELWAK PRIMARY SCHOOL	400,000	0	400,000	0	400,000
NDUROTO PRIMARY SCHOOL	400,000	0	400,000	0	400,000
KAPUTI PRIMARY SCHOOL	400,000	0	400,000	0	400,000
OGIRGIR PRIMARY SCHOOL	700,000	0	700,000	0	700,000
LESSOS HILL PRIMARY SCHOOL	300,000	0	300,000	0	300,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY

**Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
CHEPKUNYUK PRIMARY SCHOOL	700,000	0	700,000	0	700,000
TURURO PRIMARY SCHOOL	500,000	0	500,000	0	500,000
KOGAMEI PRIMARY SCHOOL	400,000	0	400,000	0	400,000
LENGUBEI PRIMARY SCHOOL	700,000	0	700,000	0	700,000
SIRWA PRIMARY SCHOOL	400,000	0	400,000	0	400,000
KIMUGUL PRIMARY SCHOOL	400,000	0	400,000	0	400,000
AINAPNETUNY PRIMARY SCHOOL	400,000	0	400,000	0	400,000
KAPCHANGA PRIMARY SCHOOL	450,000	0	450,000	0	450,000
EMITIOT PRIMARY SCHOOL	900,000	1,000,000	1,900,000	1,000,000	900,000
CHEMALAL PRIMARY SCHOOL	1,000,000	0	1,000,000	0	1,000,000
LENGON PRIMARY SCHOOL	700,000	0	700,000	0	700,000
KIMWOGI PRIMARY SCHOOL	700,000	0	700,000	0	700,000
CHEPTILILIK PRIMARY SCHOOL	1,000,000	0	1,000,000	1,000,000	0
SOIYET PRIMARY SCHOOL	1,400,000	0	1,400,000	0	1,400,000
ST MATHIAS KAPKWANG PRIMARY SCHOOL	400,000	0	400,000	400,000	0
TOWNSHIP PRIMARY SCHOOL	700,000	0	700,000	0	700,000
KIPSEBWO PRIMARY SCHOOL	300,000	0	300,000	0	300,000
CHESIRKAN PRIMARY SCHOOL	1,000,000	0	1,000,000	0	1,000,000
MOSINE PRIMARY SCHOOL	400,000	0	400,000	0	400,000
LESSOS HILLS PRIMARY SCHOOL	470,000	0	470,000	0	470,000
LOLKIREN PRIMARY SCHOOL	400,000	0	400,000	0	400,000
CHEROBON PRIMARY SCHOOL	500,000	0	500,000	0	500,000
NDUBUSAT PRIMARY SCHOOL	500,000	0	500,000	0	500,000
8.0 Secondary Schools Projects					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actuals comparable base 30/06/2019	Budget utilization difference
(List all the Projects)					
AINAPNETUNY SEC SCHOOL	2,000,000	0	2,000,000	0	2,000,000
TERENO GIRLS SEC SCHOOL	250,000	786,207	1,036,207	786,207	250,000
CHEPNGETUNY SECONDARY SCHOOL	750,000	700,000	1,450,000	700,000	750,000
CHOIMIM SECONDARY SCHOOL	1,000,000	1,400,000	2,400,000	1,000,000	1,400,000
JEAN MARIE SEC SCHOOL	4,000,000	1,000,000	5,000,000	1,000,000	4,000,000
KAPLEMET SEC SCHOOL	1,600,000	3,000,000	4,600,000	3,000,000	1,600,000
KAPTIEN SEC SCHOOL	400,000	0	400,000	400,000	0
KEBEN SEC SCHOOL	1,300,000	500,000	1,800,000	1,300,000	500,000
KETENG SEC SCHOOL	900,000	500,000	1,400,000	500,000	900,000
KIPKIMBA SEC SCHOOL	750,000	500,000	1,250,000	500,000	750,000
KIPKOROR SEC SCHOOL	750,000	500,000	1,250,000	750,000	500,000
KISEBWO SEC SCHOOL	2,000,000	1,000,000	3,000,000	3,000,000	0
KOILLOT SEC SCHOOL	1,300,000	500,000	1,800,000	500,000	1,300,000
KOSOYWO SEC SCHOOL	7,400,000	1,000,000	8,400,000	4,900,000	3,500,000
LELWAK BOYS SEC SCHOOL	2,000,000	1,000,000	3,000,000	1,000,000	2,000,000
SIRWA SEC SCHOOL	0	1,000,000	1,000,000	1,000,000	0
SOIYET SEC SCHOOL	0	1,000,000	1,000,000	1,000,000	0
TABOIYAT SEC SCHOOL	7,250,000	700,000	7,950,000	4,200,000	3,750,000
KAPKOROS SEC SCHOOL	0	7,000,000	7,000,000	6,988,000	12,000
TIGHTYO SEC SCHOOL	0	7,000,000	7,000,000	6,988,000	12,000
ST MARY'S HIGH SCHOOL SAYIET	1,400,000	400,000	1,800,000	400,000	1,400,000
MOGOBICH SEC SCHOOL	750,000	700,000	1,450,000	1,450,000	0
KIMUGUL SEC SCHOOL	400,000	0	400,000	0	400,000
KAPUTI SEC SCHOOL	750,000	0	750,000	0	750,000
ST JOHNS CHEPKUNYUK SEC SCHOOL	750,000	0	750,000	0	750,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 2018/2019	Budget utilization difference
SOCHOI BOYS SEC SCHOOL	1,000,000	700,000	1,700,000	1,700,000	0
CHEPTABACH SEC SCHOOL	750,000	0	750,000	750,000	0
OLLESSOS DAY SEC SCHOOL	496,349.38	0	496,349.38	496,349.38	0
KEBEN SEC SCHOOL	REALLOCATION	4,677,027	4,677,027	4,677,027	0
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					
9.2					
10.0 Security Projects					
O'SOS POLICE STATION		1,500,000	1,500,000	1,500,000	0
10.1 KAPKOROS CHIEFS OFFICE	700,000	0	700,000	0	700,000
10.2 SOCHOI CHIEFS OFFICE	700,000	0	700,000	0	700,000
10.3 KOSOYWO CHIEFS OFFICE	700,000	0	700,000	0	700,000
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)					
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment	600,915.96	400,000	1,000,915.96	520,288	480,628.96
11.4 Purchase of computers					
11.5 Purchase of land					
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub					
TOTALS	109,040,876	69,817,651	178,858,527	118,270,471	60,588,056

(NB: This statement is a disclosure statement indicating the utilisation 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) –
NANDI HILLS CONSTITUENCY
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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-NANDI HILLS 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) –
NANDI HILLS CONSTITUENCY
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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they 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) –
NANDI HILLS CONSTITUENCY
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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was no 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 2019.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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X NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO	1	28,000,000	5,500,000
AIE NO	2	24,748,273.25	37,905,172
AIE NO	3	10,000,000	
AIE NO	1	12,000,000	
AIE NO	2	8,000,000	
AIE NO	3	11,000,000	
AIE NO	4	13,000,000	
TOTAL		106,748,273	43,405,172

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

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

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	7,000	0
Other Receipts Not Classified Elsewhere	0	0
Total	7,000	0

4. COMPENSATION OF EMPLOYEES

		2018-2019	2017-2018
		Kshs	Kshs
Basic wages of contractual employees		1,190,964	1,048,735
Basic wages of casual labour		0	0
Personal allowances paid as part of salary		0	
House allowance		0	0
Transport allowance		0	0
Leave allowance			0
Gratuity – paid	587,261	587,261	0
- accrued	263,923		
Other personnel payments		0	0
Total		1,778,225	1,048,735

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

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,335,140	565,000
Utilities, supplies and services	2,310,106	0
Communication, supplies and services	xxx	xxx
Domestic travel and subsistence	xxx	xxx
Printing, advertising and information supplies & services	xxx	xxx
Rentals of produced assets	xxx	xxx
Training expenses	xxx	xxx
Hospitality supplies and services	xxx	xxx
Insurance costs	xxx	xxx
Specialized materials and services	xxx	xxx
Office and general supplies and services	xxx	xxx
Other operating expenses	5,026,474	0
Routine maintenance – vehicles and other transport equipment	800,000	550,000
Routine maintenance – other assets	xxx	105,069
Total	11,471,720	1,220,069

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	17,976,249	2,281,000
Transfers to secondary schools (see attached list)	49,385,583	2,500,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
TOTAL	67,361,832	4,781,954

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	12,161,800	10,289,600
Bursary – tertiary institutions (see attached list)	14,057,000	11,355,500
Bursary – special schools (see attached list)	1,000,000	0
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	1,500,000	300,000
Sports projects (see attached list)	1,915,074	0
Environment projects (see attached list)	0	805,000
Emergency projects (see attached list)	3,516,679	2,691,954
Total	34,150,553	25,442,054

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

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	520,288	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	520,288	0

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	2,987,853	0
ICT Hub	0	0
	2,983,853	0

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank Nandi Hills, Account No. 0920261628747</i>	3,453,330	11,068,528
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	3,453,330	11,068,528
10B: CASH IN HAND		
Location 1	0	2,400,000
Location 2	0	
Location 3	0	
Other Locations (<i>specify</i>)		
Total	0	13,468,528
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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>
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	263,923	xx
Name 2	xx	xx
Name 3	xx	xx
Add as appropriate		
Total	263,923	xx

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	13,468,528	2,556,168
Cash in hand	0	0
Imprest	0	0
Total	<u>13,468,528</u>	<u>2,556,168</u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	1,500,000	0
Cash in hand	0	0
Imprest	0	0
Total	<u>1,500,000</u>	<u>0</u>

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	0	0
	0	0

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,373,040	1,051,265
Use of goods and services	540,729	4,892,686
Amounts due to other Government entities (see attached list)	44,344,002	51,939,484
Amounts due to other grants and other transfers (see attached list)	13,837,510	7,027,216
Acquisition of assets	480,628	400,000
Others (<i>strategic plan</i>)	12,147	3,000,000
	60,588,056	68,310,651

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

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	19,895,968	xxx
	19,895,968	xxx

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
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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 2019	Comments
	a	B	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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For the year ended June 30, 2019 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures				
Transport equipment	4,117,596			4,117,596
Office equipment, furniture and fittings	595,800	520,288		1,116,088
ICT Equipment, Software and Other ICT Assets	573,300			573,300
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	5,286,636	520,288		5,806,924

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
St. Stephen Chebilat		0920271261951	1,640	
Kapchumba Primary School		0920271101522	754,480	
Kitechgaa Primary School		0920261816470	7,988	
St. Pauls kaptien Primary School		0920278605717	3,295	
Lelwak Primary School		0920266785712	1,455	
Nduroto Primary School		0920265208755	400,775	
Ogirgir Primary School		0920267468837	468	
Lessos Hill Primary School		0920264393925	77,976	
Chepkunyuk Primary School		0920264342184	210,605	
Tururo Primary School		0920267450809	470	
Kogamei Primary School		0920262195724	416,678	
Sirwa Primary School		0920262518123	334,600	
Ainapnetuny Primary School		0920262195099	1,562	
Lengon Primary School		0920261699227	701,120	
Soiyet Primary School		0920278948198	98,810	
Ndubusat Primary School		0920299835462	502,746	
Kipkimba Primary School		0920270255542	145,675	
Chebinyiny primary		0920262239686	51	
Cheptingting primary		0920261809151	261,632	
Cherobon primary		0920262206701	502,541	
AIC Chesirikan primary		0920262554614	1,505.00	
Kapchanga primary		0920262193085	250,912	
Kapsean primary		0920262510724	2,285	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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For the year ended June 30, 2019 (Kshs'000)

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kaputi primary		0920262489385	401,498	
Kimolonik primary		0920262195918	29,415	
Kimwogi primary		0920262238124	746,238	
Kipkorom primary		0920262606162	9,504	
Kipsamoo primary		0920262198292	200,843	
Kipsebwo primary		0920262246974	48,089	
Nandi hills township primary		0920299914220	701,316	
Sile primary		0920262563208	254	
Simbi primary		0920262198366	427,197	
Sirwa primary		0920262518123	334,600	
Nukiat primary school		0920262551391	2,743.15	
Koimur primary school		0920262403702	205,735	
Keben primary school		0920262758083	728,909	
Kapnyemis primary school		0920268299333	6,973	
Keteng primary school		0920264349490	66,390	
Mogobich primary		0920270486700	227,874	
Kaptuma primary		0920266841655	49,605	
Ndubusat Primary		0920299835462	502,746	
Emitiot primary Tereno		0920271245310	934,205	
Cheptililik primary		0920271172410	499,405	
St Mathias Kapkwang pri		0920294173389	2,907	
Mosine Primary		0920271062449	412,725	
Kabikwen primary		0920262335859	174,290	
KIMUGUL PRI SCHOOL		0920261649682	3	
ST.MARKS LOLKIRENY PRI SCHOOL		0920262510977	603,665	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
JEAN MARIE SECONDARY SCHOOL		0920263509617	1,000,227.55	
KAPLELMET SECONDARY SCHOOL		0920268451579	227,546	
KAPTIEN SECONDARY SCHOOL		0920262581103	1,375	
KIPKOROR SECONDARY SCHOOL		0920262430184	64,151	
KOILLOT SECONDARY SCHOOL		0920295277620	40,711.58	
Ainapng'etuny Secondary school		0920264495589	2,637.70	
Tereno girls sec		0920269217735	551,781.89	
Chepngetuny secondary school		0920268303871	701,110	
Kosoiywo Secondary School		0920261666976	48,502.25	
Lelwak Boys Secondary School		0920264466602	2,404,230	
Sirwa Secondary School		0920262546040	122,791	
Taboiyat Secondary School		0920262415703	2,335	
Tigityo Secondary School		0920260777466	2,320	
St. Mary's High School Sayiet		0920263517148	461,774.45	
Mogobich Secondary School		0920264213290	283,127	
Kimgul Secondary School		0920262580416	407,306	
Kaputi Secondary School		0920262494437	9,385	
St. Johns Chepkunyak Secondary School		0920262388848	751,120	
Sochoi Secondary School		0920262238895	1,079	
Cheptabach Secondary School		0920262486330	44,219	
Ollessos Day Secondary School		0920263641708	771,842	
Total			19,895,968	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	<p>1.1 Budget Performance During the year under review, the fund had expenditure budget of Kshs.100,745,823 against actual expenditure of Kshs.32,562,051 resulting to an under expenditure of Kshs.68,183,771 or approximately 68% of the approved budget, Funds not utilized is an indication of approved programs not implemented, hence an indication that budget has not fully met the intended objectives of improving delivery of goods and services to the residents of Nandi Hills constituency. In two instances nil expenditure was reported i.e. Constituency Innovation Hub and Constituency Strategic plan and it was not clear as to why there was budgetary provision for the two items.</p>	<p>Funds not utilized are as a result of delayed disbursement to the constituency by the NG-CDF Board. As at the time of preparation of financial statement the constituency had received a total Ksh. 43,405,172. Large sum of this Ksh. 37,905,132 was received in May. The constituency had received Nill funds for Constituency innovation hub and Constituency Strategic Plan.</p>	FAM	RESOLVED	N/A
1.2	<p>Underfunding of Budget Kshs.57, 340,651</p>	<p>The was a delay in disbursement of funds by</p>	FAM/NG-CDFC	RESOLVED	N/A

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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For the year ended June 30, 2019 (Kshs'000)

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)								
	<p>Criteria Section 16(a) of the National Government Constituency Development Fund Act 2015 states;The functions of the Board shall be to ensure timely and efficient disbursement of funds to every constituency</p> <p>Findings During 2017/18 financial year Nandi Hills constituency had an approved budget of Kshs 100,745,823.17 as detailed in the Summary Statement of Appropriation. Out of this amount only Kshs.43, 405,172 or 45.62% was disbursed from the CDF Board to the constituency i.e.the constituency was underfunded by Kshs.57, 340,651. The details of disbursements are provided below;</p> <table border="1" data-bbox="245 1563 647 1749"> <thead> <tr> <th>Date</th> <th>AIE No.</th> </tr> </thead> <tbody> <tr> <td>23/01/2018</td> <td>A829956</td> </tr> <tr> <td>04-05-18</td> <td>A892993</td> </tr> <tr> <td></td> <td>Total</td> </tr> </tbody> </table> <p>Effect The underfunding negatively affects the implementation of</p>	Date	AIE No.	23/01/2018	A829956	04-05-18	A892993		Total	<p>the NG-CDFB to the constituency. The NG-CDFC is in constant communication with the NG-CDFB to ensure timely disbursement to the constituency.</p>			
Date	AIE No.												
23/01/2018	A829956												
04-05-18	A892993												
	Total												

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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For the year ended June 30, 2019 (Kshs'000)

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)
	<p>the planned projects and programs thus denying the residents of Nandi Hills Constituency the services they are entitled to.</p> <p>Recommendation The Board should ensure timely disbursement of funds to the constituency so to enable them implement their projects on time.</p>				
1.3	<p>1.3 Purchase of Land As reported in the previous year under transfers to other Government entities was an Expenditure of Kshs.6,400,000 which was disbursed to various primary schools for the purchase of various parcels of land, However, procurement records such as opening, evaluation, award minutes, search certificates from lands office, valuation report were not availed for verification. Documents of ownership such as title/lease were also not availed for audit verification</p> <p>Implication Under the circumstances, the ownership, validity and</p>	<p>The management has availed records for the purchase of respective parcels of land which accounts for Kshs. 6,400,000 disbursed by the NGCDFC to the respective schools. Reffer attached copies</p>	FAM/NG-CDFC	ONGOING	FY 2020

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

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)
	<p>propriety of the land costing Kshs.6, 400,000 for could not be confirmed.</p> <p>Recommendation The management should provide explanation to justify the expenditure</p>				
1.4	<p>Unpresented Cheques Kshs.12, 487,613</p> <p>Criteria IPSAS No.1 (27) provides that, financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSAS. The application of IPSAS, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.</p> <p>Audit Finding Management reported an amount of Kshs.12, 487,613 as unpresented cheques on Equity bank account number</p>	<p>Since the Nandi Hills NG-CDFC received the large amount of Ksh37, 905,172 under AIE numberA892993 on 04-05-18, it started disbursing the bursary cheques to the institutions of respective beneficiaries towards the closure of financial year 2017/2018. The unpresented cheques of Kshs. 12,487,613 included the disbursement of bursary cheques. Most of the unpresented cheques reported as at 30th June, 2018 have since been cleared and the management has provided details on the same. As for a few cases of stale cheques.</p>	FAM	RESOLVED	N/A

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>0920261628747. Included in the unrepresented cheques were cheques dated March 2016 i.e. more than 2 years old as at 30th June 2018. It was not clear as to why payments would be made and then payees fail to cash their cheques. The cheque dispatch register was not available and we could not confirm if or when the cheques were dispatched. It was also not possible to confirm whether the cheques were cleared or otherwise as at the time of audit in March, 2019. The management needs to provide details on when the cheques were cleared or otherwise after the close of the financial year.</p> <p>Implications The intended payees failed to receive their payments</p> <p>Recommendation Proper expenditure controls should be in place to avoid writing unnecessary cheques which could lead to fraud.</p>				
1.5	Bank Charges and Erroneous payments ksh. 147,073	The management has immediately, initiated the process of determining	FAM	RESOLVED	N/A

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

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)
	<p>Criteria IPSAS No.1 (27) provides that, financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSAS. The application of IPSAS, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.</p> <p>Audit Finding The bank reconciliation statement for June 2018 reported an amount of Kshs.150, 998 as payment in bank statements not recorded in cash book. Included in the figure was an amount of Kshs.147, 073 which related to bank charges and erroneous payments i.e. Kshs.47, 950 was for bank charges and Kshs.99, 123 was erroneous</p>	<p>when the bank charges were incurred and to clear the bank charges and to investigate and recover the erroneous payment.</p>			

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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For the year ended June 30, 2019 (Kshs'000)

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)
	<p>payment to a contractor named as Jochkem. It was not clear when the bank charge was incurred and also when the erroneous payment was made. No decision had been made to reverse the transactions or otherwise and it was also not clear how long the management intended to retain the transactions in their books. Implication The reported Cash and Bank balance figure may not be fairly stated as long as the transactions remain in the books. Recommendation Management should resolve the issue of outstanding figures in their books.</p>				
1.6	<p>Inaccuracy of the reported Cash and Cash Equivalent balance Kshs.126, 879 Criteria IPSAS No.1 (27) provides that, financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful</p>	<p>The management has adjusted the financial statement, and accurately corrected the misstatement.</p>	FAM	RESOLVED	N/A

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

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)																						
	<p>representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSAS. The application of IPSAS, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.</p> <p>Audit Finding</p> <p>The management reported an amount of Ksh.13,399,289 as the figure for cash and cash equivalents as at 30th June 2018 in statements of assets. The cash book figure however was Kshs.13,526,168 composed of;</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; text-align: right;">Cash balance</td> <td style="width: 40%;"></td> </tr> <tr> <td style="text-align: right;">Kshs.2,418,000</td> <td></td> </tr> <tr> <td style="text-align: right;">Reconciled bank balance</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>108,168</u></td> <td style="text-align: right;"><u>Kshs.11,408,168</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> </tr> <tr> <td style="text-align: right;"><u>Kshs.13,526.168</u></td> <td></td> </tr> <tr> <td style="text-align: right;">Reported</td> <td style="text-align: right;">balance</td> </tr> <tr> <td style="text-align: right;"><u>Kshs 13,399,289</u></td> <td></td> </tr> <tr> <td style="text-align: right;">Difference</td> <td></td> </tr> <tr> <td style="text-align: right;">Kshs.126,879</td> <td></td> </tr> <tr> <td colspan="2">Implication</td> </tr> </table>	Cash balance		Kshs.2,418,000		Reconciled bank balance		<u>108,168</u>	<u>Kshs.11,408,168</u>	Total		<u>Kshs.13,526.168</u>		Reported	balance	<u>Kshs 13,399,289</u>		Difference		Kshs.126,879		Implication					
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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For the year ended June 30, 2019 (Kshs'000)

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	The reported cash and cash equivalent figure of Kshs.13,399,289 was not accurately stated.				
1.7	<p>Environment Expenditure Kshs.736,362 Criteria</p> <p>IPSAS 1(27) stipulates that, financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires faithful presentation of effects of transactions, other events and conditions in accordance with definitions of recognition criteria for assets, liabilities, income and expenses in the framework. The application of IPSAS with additional disclosures. The application of IPSAS with additional disclosures, when necessary is presumed to result in financial statements that achieve fair presentation Regulation 104 of the Public Financial Management Regulations 2015 requires that all receipts and payment vouchers of public monies shall be properly supported</p>	The management has adjusted the financial statement accordingly and supporting documents have been presented for verification. Project file has been availed and the expenditure of Ksh. 763,362 has been fully accounted for.	FAM	RESOLVED	N/A

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	<p>by pre-numbered receipt and payment vouchers and shall be supported by appropriate authority and documentation.</p> <p>Findings</p> <p>The statement of receipt and payments reflects Kshs.25, 118,462 as other grants and other payments. Out of this amount Kshs.763, 362 was paid to M/s Rotaline engineering for an environmental project. The following observations were noted:</p> <p>(i) An amount Kshs.41,638 was paid as withholding tax to the commissioner of VAT but was not included in the reported figure hence leading to an understatement of the reported amount by Kshs.41,638</p> <p>(ii) The project file was also not availed for audit examination hence the propriety of the expenditure of Kshs.763, 362 could</p>				

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	<p>not be confirmed.</p> <p>Effect The financial statements may not portray a true and fair view and also may have been loss of public funds given that expenditure is not supported.</p> <p>Recommendation Management should adjust the financial statement accordingly and supporting document should be presented for verification.</p>				
1.8	<p>Compensation of employees Criteria The Constituencies Development Fund Act 2013, in section 24 subsections 17 and 18 provides for employment of staff to facilitate the work of the Constituency Development Sub sect 17 states that the Committee may employ staff; not exceeding five in number; and such staff shall have knowledge in construction, basic accounting. Information and Communication Technology</p>	<p>The management had taken note of additional staff recruitment for position of Clerk of works and accounts assistant and had initiated the process by factoring in the 2018/2019 financial year budget. The management through the NGCDFC has initiated the process of reviewing the employee contracts to a three year term according to the regulations and realigning the employee salaries and allowances to the respective job groups.</p>	FAM/NG-CDFC	ONGOING	FEB 2020

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	<p>Sub section 18 states that the staff employed under subsection (17) shall help in project monitoring, coordination and proper keeping of records. Such staff shall be remunerated from the funds allocated for administration and recurrent expenses in the constituency</p> <p>Further the circular has recommended critical positions to be filled for effective management of the Fund at the constituency level in line with the CDF Act 2013 which are clerical officer, accounts assistant, clerk of works, records management officer and driver. Also the circular states the terms of service of the employees whereby they shall be on contract of three years' renewable subject to performance.</p> <p>Observation During the audit of Nandi Hills NGCDF, the following anomalies were noted; I. Nandi Hills NGCDF had only three members staff who</p>				

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	<p>were; 1 driver, 1 records management officer and 1 clerical officer.</p> <ul style="list-style-type: none"> • There was no Clerk of works who should be there with knowledge of construction and to assist in projects implementation and monitoring. • There was also no accounts assistant. <p>II. The three officers were appointed on 3rd January 2018 by CDFC on contracts two (2) and not 3years which is in contravention of the regulations.</p> <p>The basis of the salaries and allowances paid were also not clear since no job groups were quoted in their appointment letters.</p>				

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	Risk The Fund operations may be hampered by lack of key staff.				

