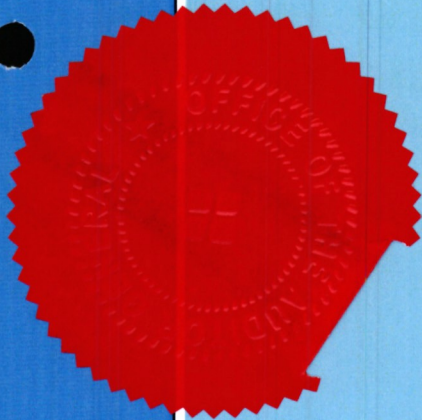




*Enhancing Accountability*



<b>REPORT</b>	
THE NATIONAL ASSEMBLY	
DATE: 29 MAR 2022	WGS (pm)
OF	
TABLED BY: L-O-M	
CLERK AT THE TABLE: IM20R	

**THE AUDITOR-GENERAL**

**ON**

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

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



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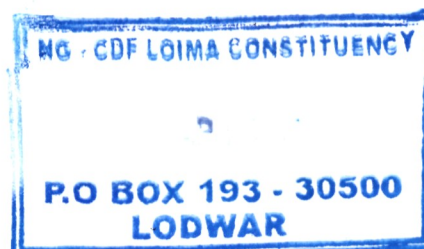
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -  
LOIMA CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



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

**LOIMA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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**

The Leading Constituency in Sustainable and Inclusive Development in Kenya

**Mission**

To Transform Livelihoods through Equitable and Sustainable Utilization of Resources

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) LOIMA  
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**Core Values**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

<b>N</b>	<b>Designation</b>	<b>Name</b>
<b>o</b>		
1.	A.I.E holder	<b>JAMES EMURIA ECHWA</b>
2.	Sub-County Accountant	<b>JAMES MULI</b>
3.	Chairman NGCDFC	<b>LOWRENCE L. LOPAYO</b>

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 45-30500  
Lorugum NGCDF Building  
Uganda Road  
**LODWAR**

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**(f) NGCDF LOIMA Constituency Contacts**

Telephone: (254) 708309703  
E-mail: [cdfloima@ngcdf.go.ke](mailto:cdfloima@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF LOIMA Constituency Bankers**

EQUITY BANK  
Lodwar Branch  
Lodwar - Lokichogio Rd  
Lodwar- Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

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

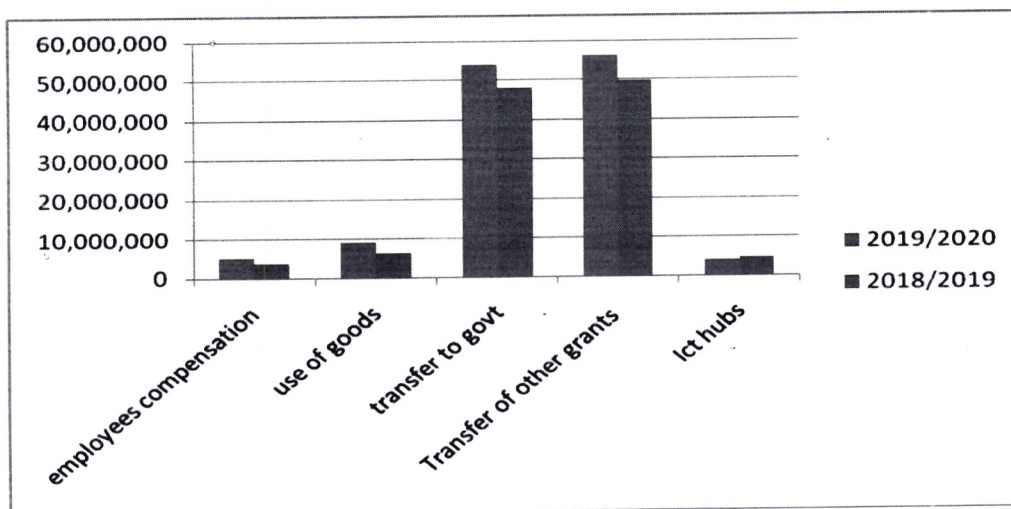
This is a true reflection of Loima NGCDFC budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures within the Constituency which is evident from the Transfers to Other Government entities and Other Grants and transfers.

During the 2019/2020 FY, Loima NGCDF was allocated KES 137,367,724.14 The total funds received and spent during the 2019/2020 FY was KES. 124,540,724 of which Kes 51,740,724 are funds that overlapped from the previous FY 2018/2019.

The budget performance for FY 19/20 was as below:

Compensation of Employees	5,237,475
Use of goods and services	9,154,111
Transfers to Other Government Units	53,832,398
Other grants and transfers	56,081,049

Below we present a graphical comparison of the budget execution of the current and prior year.



**Key achievements for the NGCDF,**

1. Timely absorption of the funds as we release the funds to the PMC immediately.
2. Completion of the projects on time.
3. Proper management of the projects by the PMCs
4. Good quality projects
5. Emergency projects that have a great impact on the population,

**Challenges**

1. Late or delayed release of funds from the treasury and the NGCDF Board

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2. Delayed approval of the projects by the NGCDF BOARD for the case of projects that needed any other supporting documents from the constituency.
3. Late approval of projects and reallocations

**Recommendations**

- The NGCDF BOARD should speed up the approval of projects once the documents are availed from the constituencies.
- Timely release of funds from the NGCDF BOARD to the constituency to make sure that all the Constituency allocation is disbursed by the end of the Financial Year.



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Lopayo Lawrence Lomuria  
Loima NG-CDFC Chairperson





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

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**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-LOIMA Constituency's *2018-2022* plans are to:

- a) To improve access to education and training for Primary, secondary and Tertiary institutions in Loima Constituency
- b) To improve learning environment
- c) To improve the working conditions of security personnel
- d) To promote environmental conservation
- e) To build youth talents and skills in sports
- f) To improve access to ICT infrastructure

The Expected Strategic Results are:

- a) Increase in transition from primary to secondary.
- b) Increase in transition from secondary school to TVET and Universities
- c) Increase in number of youth with TVET skills
- d) Increase in employability of the youth
- e) Improved performance in primary, secondary and TVET
- f) Increased security coverage
- g) Secure business environment
- h) Increased number of youth engaged in gainful employment
- i) Increase in knowledge, skills and passion for sustainable environment
- j) Increase in online business uptake by youth

**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	To improve access to education and transferable skills	Provision of bursary to needy and bright primary/secondary/tertiary institution students Lobby for deployment of additional teachers	No. of students benefiting No. of teachers posted No. of new students	400 tertiary institutions students benefitted from bursary allocation. 2100 Secondary students allocated

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		Carry out public enrollment drives with the local administration	enrolled	with bursary.
Infrastructure	To develop and sustain proper infrastructure for conducive learning environment	Rehabilitation/ Renovation of classrooms in various primary schools Construction of classrooms in various primary/secondary schools	No. of class rooms Rehabilitated/ Renovated No. of class rooms constructed No. of laboratories constructed No. of schools	18 classrooms constructed for various primary schools  2 dormitories constructed and 1 secondary school supported with assorted laboratory equipments.
ICT	To improve access and use of ICT infrastructure	Work with corporate institutions to establish an ICT hub in the constituency Enhance computer literacy among the youth Expand telecommunication services to cover the entire constituency	No. of ICT hubs established  No. of youth that have access to ICT services % of the constituents able to access telecommunication services	Established 2No. ICT hubs at Kalemunyang & Turkwell  100 youth to access and utilize telecommunication services.
Sports	To build the skills and talent of youth through sports	Sponsor sports tournaments right from the wards Provision of sports equipment to youth and make them available in sporting facilities	No. of institutions supported with equipment % of tenders awarded to youth No. of youth forums held No. of tournaments held in the constituency No. of teams provided with sports equipment	4 teams from each ward supported with uniforms (Football-2 teams & volleyball- 2 teams) for both boys and girls.  100% tenders awarded to youth.  1 tournament held for the entire constituency.

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

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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – LOIMA 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**

The Loima NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

<b>Model</b>	<b>Definition</b>	<b>Relevance to sustainable strategy</b>
Vision	The Leading Constituency in Sustainable and Inclusive Development in Kenya	Loima’s vision is sustainable and inclusive development focused
Mission	To Transform Livelihoods through Equitable and Sustainable Utilization of Resources	Our mission emphasize the need for sustainable utilization of resources which is in tandem with broad sustainable strategy

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

**2. ENVIRONMENTAL PERFORMANCE**

**Environment Policy and Action Plan:**

Protection of the environment in which we live and operate is part of Loima NG-CDF initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations. Loima NG- CDF remains cognizant of environmental conservation.

**Our Environmental Action Plan**

Loima NG-CDF has identified two areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These two areas together with our approach and targets for each are shown below:

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<b>Impact Area</b>	<b>Approach</b>
Conservation of Energy and Resources	<ul style="list-style-type: none"><li>• To maximize use of available technologies to remove the need to use paper</li><li>• To encourage our clients to engage with us using electronic means where possible</li><li>• To maximize on rain water harvesting</li><li>• To make energy efficiency a key factor in the selection of any new energy device being purchased</li><li>• To invest in available energy saving technologies and devices within our existing premises</li></ul>
Environmental Protection and Conservation	<ul style="list-style-type: none"><li>• To promote use of volt guards to control power surges</li><li>• We have constructed culverts and gabions to prevent soil erosion</li><li>• To encourage tree planting in the constituency to improve the forest cover.</li><li>• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires</li></ul>

**3. EMPLOYEES WELFARE**

**TERMS AND CONDITIONS OF SERVICE**

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

**Categories of Employment**

Loima NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Below is a highlight of employment welfare consideration.

**Recruitment Procedure**

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

**Appointment of a selection and Interview subcommittee**

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

**Interviews**

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

**Offer of Appointment**

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

**Letters of Appointment**

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of

# **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) LOIMA CONSTITUENCY**

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the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

#### **Orientation and Induction of employees**

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

#### **Promotions**

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made by the NG-CDFC resolution.

#### **HEALTH, SAFETY AND WELL BEING**

This provides guidelines on the health, safety and well-being of the office staff.

##### **Guidelines to General Safety**

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

##### **Emergency Preparedness**

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

##### **Fire precautions**

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually.

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers.

##### **Provision of protective equipment and clothing**

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

##### **Reporting of an Accident**

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

##### **Guidance and Counselling**

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

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**Health Care Services**

The staff; including spouses and children are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

**HIV/AIDS**

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

**Drug and Substance Abuse**

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

**Persons Living with Disability**

An employee with impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

**Sexual harassment and other Forms of Harassment**

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

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Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

**Reporting Harassment Cases**

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

**4. MARKET PLACE PRACTICES**

NG-CDFC fund was designed to support constituency-level, 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.

**a) 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

**b) 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 Loima NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service 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**

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

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The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done but is a two way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

#### **Public Awareness**

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

#### **Public Awareness and Sensitisation Exercise Provide**

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Promote awareness creation on constitution and devolved governance system in Kenya

#### **Covid-19 Mitigation Measures**

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures:

- NG-CDF distributed sanitizers to the community free of charge.
- The office purchased facial masks for staff and committees



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**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-LOIMA 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.

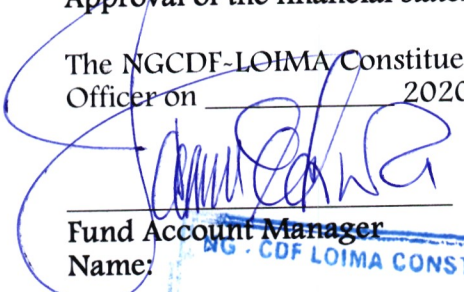
The Accounting Officer in charge of the NGCDF-LOIMA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF-LOIMA Constituency'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-LOIMA Constituency further confirms the completeness of the accounting records maintained for the NGCDF-LOIMA Constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

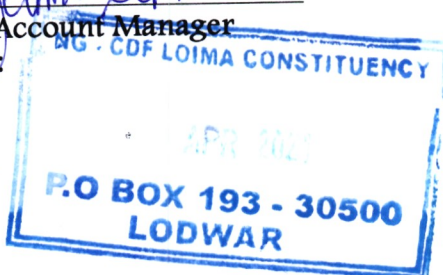
The Accounting Officer in charge of the NGCDF-LOIMA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the Accounting Officer confirms that the NGCDF-LOIMA Constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF-LOIMA Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2020.

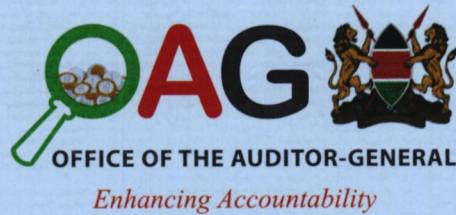
  
Fund Account Manager  
Name: \_\_\_\_\_



\_\_\_\_\_  
Sub-County Accountant  
Name:  
ICPAK Member Number:

# REPUBLIC OF KENYA

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HEADQUARTERS  
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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LOIMA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Loima Constituency set out on pages 16 to 38, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 - Loima 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 the National Government Constituencies Development Fund Act, 2015.

#### Basis for Qualified Opinion

##### 1.0 Presentation, Accuracy and Completeness of Financial Statements

An audit review of other information and the financial statements for the year ended 30 June, 2020 revealed the following anomalies:

- i. The statement of assets and liabilities reflect prior year adjustment balance of Kshs.133,891 referenced to Note 14 to the financial statements. However, Note 14 does not explain the nature of the prior year adjustment.
- ii. Note 17.3 to the financial statements reflects Kshs.63,938,416 in respect to comparative unutilized fund balance which is at variance with the comparative balance of Kshs.51,582,187 reflected at Annex 3. Further, Annex 3 to the financial statements does not disclose specific projects that were yet to receive funding by the Board and bank balances in the constituency accounts.

- iii. Page 5 to the financial statements, on forward by the Chairman National Government Constituencies Development Fund Committee, reflects Kshs.124,540,724 in respect to funds spent during the year ended 30 June, 2020 However, this balance differs with the Kshs.124,316,883 total payments reflected in the statement of receipts and payments. The resulting variance of Kshs.223,841 has not been reconciled.
- iv. Annex 4 to the financial statements reflect summary of fixed asset register with historical cost brought forward from 2019/18 instead of brought forward from 2018/2019.
- v. The financial statements are not fully signed as they were signed by the Fund Account Manager only.

Consequently, the financial statements do not comply with the requirements of the IPSAS (Cash Basis) and Public Sector Accounting Standards Board reporting template.

## **2.0 Transfers to other Government Units**

The statement of receipts and payments reflects Kshs.53,832,398 in respect to transfers to other Government units which varies with the balance of Kshs.52,932,398 reflected in the supporting schedules provided for audit review resulting to unexplained/unreconciled variance of Kshs.900,000.

Consequently, the accuracy and completeness of the transfers to other government units balance of Kshs.53,832,398 for the year ended 30 June, 2020 could not be confirmed.

## **3.0 Bank Balances**

The statement of assets and liabilities reflects Kshs.3,934,614 in respect to bank balance. However, a review of the respective bank reconciliation statement for June, 2020 indicated unpresented cheques amounting to Kshs.7,864,493 out of which cheques amounting to Kshs.185,880 had become stale but had not been reversed in the cash book.

Consequently, the accuracy and completeness of the Kshs.3,934,614 bank balance as at 30 June, 2020 could not be confirmed.

## **4.0 Project Management Committee Account Balances**

Note 17.4 to the financial statements reflects Kshs.2,005,692 in respect to project management committee account balances as at 30 June, 2020. However, the balances were not supported with cashbooks, certificate of bank balances and bank reconciliation statements.

In the circumstances, the accuracy and completeness of the project management committee account balances of Kshs.2,005,692 as at 30 June, 2020 could not be confirmed.

## **5.0 Summary of Fixed Asset Register**

Annex 4 to the financial statements reflects Kshs.20,678,000 in respect to historical cost of summary of fixed assets register which is at variance with the fixed asset register balance of Kshs.5,678,000 resulting to unexplained/unreconciled variance of

Kshs.15,000,000. Further, although NG-CDF Loima Constituency owns an office block, the land and the building were not included in the asset register.

Consequently, the accuracy and completeness of the fixed asset balance of Kshs.20,678,000 as at 30 June, 2020 could not be confirmed.

## **6.0 Committee Allowance**

Note 5 to the financial statements reflects Kshs.9,142,261 in respect to use of goods and services which includes Kshs.3,174,730 in respect to committee allowance. However, the committee allowance balance was not supported with minutes of the meetings, notices of the committee meetings and approval of schedule of meetings.

Consequently, the validity and propriety of the Kshs.3,174,730 balance in respect to committee allowance 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 - Loima 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**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.201,306,140 and Kshs.128,239,646 respectively resulting to an under-funding of Kshs.73,066,494 or 36% of the budget. Similarly, the Fund expended Kshs.124,305,033 against an approved budget of Kshs.201,306,140 resulting to an under-expenditure of Kshs.77,001,108 or 38% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Loima Constituency.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

## **Basis for Conclusion**

### **1.0 Unsupported Expenditure**

The statement of receipts and payments reflects Kshs.53,832,398 in respect to transfers to other government units which relates to funds disbursed to various Project Management Committees. However, actual expenditure returns and acknowledgement letters from institutions that received the funds were not provided for audit verification. This is contrary to Section 15(1)(d) of the National Constituency Development Fund Regulations, 2016 which states that the Project Management Committees shall prepare returns and file them with a Constituency Committee.

In the circumstances, it was not possible to confirm whether the funds totalling Kshs.53,832,398 were received and utilized for the intended purpose.

### **2.0 Bursary Disbursements**

As disclosed in Note 7 financial statements, the statement of receipts and payments reflects Kshs.56,081,049 in respect to other grants and transfers which include Kshs.16,314,000 in respect to bursary disbursement to secondary schools and Kshs.17,148,249 in respect to tertiary institutions. However, the minutes of the bursary sub-committee indicating how the beneficiaries were identified and also showing that two members of whom one should be area education officer or officer seconded from the Ministry of Education were co-opted as required by the CDF Board circular Ref. CDF Board circulars/VOL 1/111 dated 13 September, 2010 were not provided for audit review. In addition, there was no documentary evidence provided for audit review to confirm acknowledgement of receipt of funds by the various schools.

Consequently, the Management is in breach of the law and the propriety of the bursary disbursement of Kshs.33,462,249 to secondary schools and tertiary institutions for the year ended 30 June, 2020 could not be confirmed.

### **3.0 Purchase of 51-Seater School Bus for Napeililim Secondary School**

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects Kshs.53,832,398 in respect to transfers to other government units which include transfers to secondary schools of Kshs.22,694,165 out of which Kshs.7,200,000 was incurred to purchase of a 51-seater school bus for Napeililim Secondary School. However, the payment was not supported with procurement documents such as contract negotiation, professional opinion, contract agreement and mechanical inspection report.

Further, it was observed that the Kshs.7,200,000 was transferred to Napeililim Project Management Committee for purchase of the bus whereas the cost of the bus was estimated at Kshs.6,800,000. The Management did not explained how the balance of Kshs.400,000 was accounted for.

In the circumstances, it was not possible to confirm if the procurement of the school bus complied with provisions of Public Procurement and Asset Disposal Act, 2015.

## **4.0 Projects**

### **4.1 Project Status Report**

The project status report provided for audit review, indicated that Loima Constituency had budgeted to spend Kshs.136,575,626 to implement seventy-six (76) projects

during the year ended 30 June, 2020. A summary of the project implementation status is provided below:

<b>Implementation Status</b>	<b>No. of Projects</b>	<b>Allocated Amount (Kshs.)</b>	<b>Disbursed Amount (Kshs.)</b>
Complete	40	63,783,198	63,683,198
Ongoing	3	8,600,000	4,950,000
Not started	33	64,192,428	Nil
<b>Total</b>	<b>76</b>	<b>136,575,626</b>	<b>68,633,198</b>

The delay in implementation and completion of planned projects resulted from late disbursement of funds by the NGCDF Board.

Consequently, the residents of Loima Constituency failed to receive the benefits accruing from planned programs and activities for the year ended 30 June, 2020.

#### **4.2 Project Verification Report**

During the year under review, nine (9) projects implemented at a budgeted cost of Kshs.27,000,000 out of which Kshs.22,600,000 had been disbursed were physically verified and audit observations are summarized at **Appendix I**.

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**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

#### **Basis for Conclusion**

##### **Lack of Risk Management Policy**

As previously reported, as at 30 June, 2020, the National Government Constituency Development Fund - Loima Constituency Management had not put in place a risk management policy, risk management strategies and a system of risk management to enable them develop appropriate risk strategies in order to improve on effectiveness and efficient management of public resources. Without a well-established risk management policy, the operations of the entity may be adversely affected incase a disaster strikes.

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 governance

were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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**

**08 February, 2022**

## Appendix I – Summary of Audit Observation

No.	Project Name	Project Activity	Allocation (Kshs.)	Disbursed Amount (Kshs.)	Remarks
1.	Nakumane Primary School	Construction of two classrooms	3,000,000	3,000,000	- One door broken - Painted - Labelled - Classes complete and in use
2.	Tiya Primary School	Construction of two classrooms	700,000	700,000	-Two classrooms complete and in use
3.	Turkwel Boys High School	Construction of dining hall	2,200,000	2,100,000	-Dining hall complete and in use - One of the doors is broken - Pavement done - Painted and labelling done.
4.	Loima Girls Secondary School	Construction of dormitory	2,100,000	700,000	- Branding not done - One of the windows broken - Electrical works not complete. - The dormitory is in use.
5.	Lolupe Primary School	Construction of 2 Classrooms (Kshs.2,600,000) and Equipping with 50 pupils double desks (Kshs.400,000)	3,000,000	3,000,000	- Two classrooms complete and in use - Branding done - 50 Desks delivered.
6.	Lorugum Primary School	Construction of dormitory (Girls Dormitory)	3,000,000	3,000,000	- Dormitory is in use however, one window is broken and electrical works are not complete.
7.	Lorugum Primary School	Construction of dormitory (Boys Dormitory)	3,000,000	3,000,000	- Dormitory is in use however, one window is broken and electrical works are not complete.
8.	Loima Boys Secondary School	Construction of dormitory	5,000,000	2,100,000	Dormitory not complete -Plastering not done inside -Floor not done -Roofing complete -Timber used for roofing not treated -Doors and windows not fixed -Partitioning of the dormitory done

No.	Project Name	Project Activity	Allocation (Kshs.)	Disbursed Amount (Kshs.)	Remarks
					-The dormitory is not in use
9.	Namoruputh Police Station	Construction of 4 NPH Houses with pit latrines and bathrooms	5,000,000	5,000,000	Police units are complete - Labelled - Painted both inside and outside - Floor done - Roofing done
	<b>Total</b>		<b>27,000,000</b>	<b>22,600,000</b>	

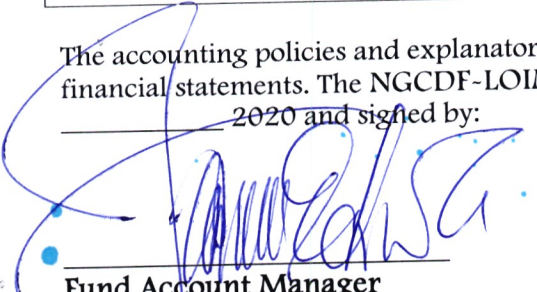
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) LOIMA  
CONSTITUENCY**

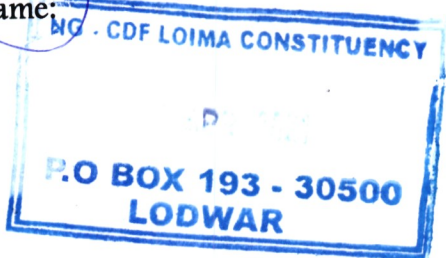
**Reports and Financial Statements  
For the year ended June 30, 2020**

**I. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

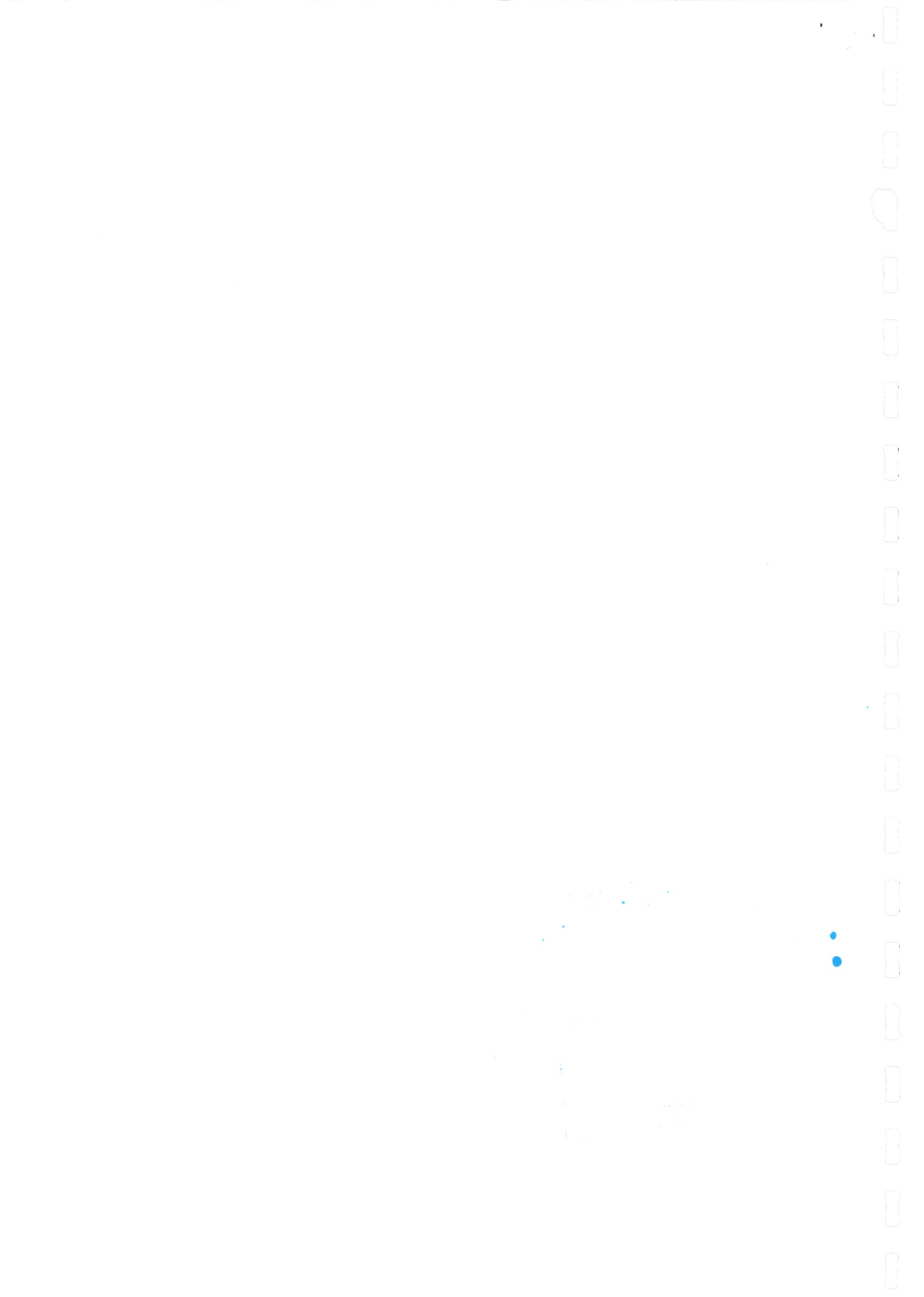
	Note	2019-2020 Kshs	2018-2019 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	124,540,875	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>124,540,875</b>	<b>108,784,483</b>
<b>PAYMENTS</b>			
Compensation of employees	4	5,249,325	3,570,044
Use of goods and services	5	9,142,261	6,451,502
Transfers to Other Government Units	6	53,832,398	48,019,043
Other grants and transfers	7	56,081,049	48,755,210
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>124,305,033</b>	<b>106,795,799</b>
<b>SURPLUS/DEFICIT</b>		<b>235,843</b>	<b>1,988,684</b>

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

  
Fund Account Manager  
Name: \_\_\_\_\_



\_\_\_\_\_  
National Sub-County Accountant  
Name:  
ICPAK Member Number:



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

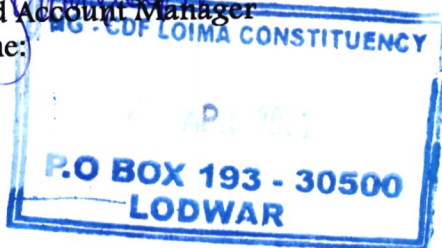
**Reports and Financial Statements  
For the year ended June 30, 2020**

**STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2020**

STATEMENT OF FINANCIAL ASSETS			
	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	3,934,614	3,698,771
Cash Balances (cash at hand)	10B		-
<b>Total Cash and Cash Equivalents</b>		<b>3,934,614</b>	<b>3,698,771</b>
<b>Current Receivables</b>			
Outstanding Imprests	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,934,614</b>	<b>3,698,771</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable</b>			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
<b>NET FINANCIAL ASSETS</b>		<b>3,934,614</b>	<b>3,698,771</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	10	3,698,771	1,576,196
Surplus/Deficit for the year		235,843	1,988,684
Prior year adjustments	14	-	133,891
<b>NET LIABILITIES</b>		<b>3,934,614</b>	<b>3,698,771</b>

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

Fund Account Manager  
Name: \_\_\_\_\_



National Sub-County Accountant  
Name: \_\_\_\_\_  
ICPAK Member Number: \_\_\_\_\_

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

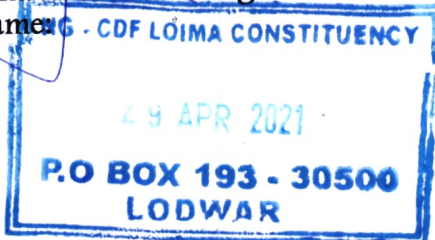
**I. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

CASH FLOWS FROM OPERATING ACTIVITIES		2019-2020	2018-2019
<b>Receipts</b>		<b>Kshs</b>	<b>Kshs</b>
Transfers from CDF Board	1	124,540,875	108,784,483
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>124,540,875</b>	<b>108,784,483</b>
<b>Payments</b>			
Compensation of Employees	4	5,249,325	3,570,044
Use of goods and services	5	9,142,261	6,451,502
Transfers to Other Government Units	6	53,832,398	48,019,043
Other grants and transfers	7	56,081,049	48,755,210
Other Payments	9	-	-
<b>Total Payments</b>		<b>124,305,033</b>	<b>106,795,799</b>
<b>Total Receipts Less Total Payments</b>		<b>235,843</b>	<b>1,988,684</b>
<b>Adjusted for:</b>			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	-	-
<b>Net Adjustments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>235,843</b>	<b>1,988,684</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>235,843</b>	<b>1,988,684</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>3,698,771</b>	<b>1,710,087</b>
<b>Cash and cash equivalent at END of the year</b>		<b>3,934,614</b>	<b>3,698,771</b>

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

Fund Account Manager

Name: NGCDF LOIMA CONSTITUENCY



National Sub-County Accountant

Name:

ICPAK Member Number:

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

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	137,367,724	63,938,416	201,306,140	128,239,646	73,066,494	64%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	137,367,724.14	63,938,416	201,306,140	128,239,646	73,066,494	64%
<b>PAYMENTS</b>						
Compensation of Employees	6,812,000	807371	7,619,371	5,249,325	2,381,896	69%
Use of goods and services	5,545,055	4,355,171	9,900,226	9,142,261	746,115	92%
Transfers to Other Government Units	78,692,428	43,378,065	122,070,493	53,832,398	68,238,095	44%
Other grants and transfers	46,318,241	15,397,809	61,716,050	56,081,049	5,635,001	91%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
<b>TOTAL</b>	<b>137,367,724</b>	<b>63,938,416</b>	<b>201,306,140</b>	<b>124,305,033</b>	<b>77,001,108</b>	<b>62%</b>

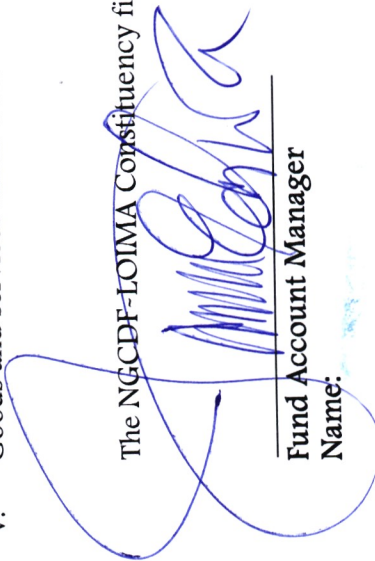


Reports and Financial Statements  
For the year ended June 30, 2020

Below we provide commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Funds received from the Board is piece meal thus most projects are not initiated within the same financial year
- ii. Prompt release of funds to project Management Committees is paramount
- iii. Most projects initiated within the financial year are overlapped from previous years
- iv. The employees were not paid during the previous year but their dues were cleared in the current financial year
- v. Goods and services funds were received during this current financial year which were not disbursed from the previous financial year

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

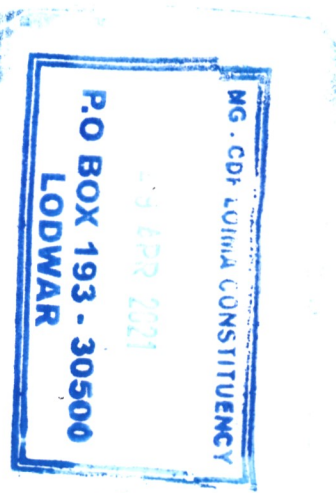


\_\_\_\_\_

Fund Account Manager  
Name:

\_\_\_\_\_

Sub-County Accountant  
Name:  
ICPAK Member Number:



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

VII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020

Programme /Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019-2020		2019-2020	2019-2020	2019-2020
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>PROJECT NAME</b>	<b>AMOUNT ALLOCATED</b>				
ADMINISTRATION AND RECURRENT					
Employee Salaries	6,300,000.00	807,371	7,107,371.00	5,249,325.00	1,858,046.00
Goods and Services	824,063.44	0	824,063.44		824,063.44
NSSF	410,000.00	0.00	410,000.00		410,000.00
NHIF	102,000.00	0.00	102,000.00		102,000.00
Committee Expenses	600,000.00	0.00	600,000.00		600,000.00
					0.00
					0.00
<b>MONITORING AND EVALUATION</b>					
Goods and Services	1,568,031.00	656,400	2,224,431.00		2,224,431.00
Committee Expenses	1,200,000.00		1,200,000.00		1,200,000.00
CDFC PMC Capacity Building	1,352,960.00		1,352,960.00		1,352,960.00
Emergency	7,198,241.38	956,467	8,154,708.38	6,918,000.00	280,241.38
Bursary - Secondary Schools	16,000,000.00	0.00	16,000,000.00	16,314,000.00	-314,000.00
Bursary - Tertiary Institutions	19,000,000.00	0.00	19,000,000.00	19,000,000.00	0.00
Sports	1,500,000.00	2,180,000.00	3,680,000.00	3,680,000.00	0.00

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

**Reports and financial statements  
For the year ended June 30, 2020**

Environment	1,620,000.00	3,417,006.00	5,037,006.00	5,037,006.00	0.00
					0.00
<b>PROJECT NAME</b>	<b>AMOUNT ALLOCATED</b>				
<b>PRIMARY SCHOOL PROJECTS</b>					
Lolupe Primary School	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	0.00
Nakamane Primary School	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	0.00
Nataparkakono Primary School	2,400,000.00	2,400,000.00	2,400,000.00	2,400,000.00	0.00
Nakwamunyen Primary School	700,000.00	700,000.00	700,000.00	700,000.00	0.00
Nakuja Ekalale Primary School	700,000.00	700,000.00	700,000.00	700,000.00	0.00
Lorugum Primary School	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	0.00
Nakwasinyen Primary School	2,400,000.00	2,400,000.00	2,400,000.00	2,400,000.00	0.00
Kaayen Primary School	2,400,000.00	2,400,000.00	2,400,000.00	2,400,000.00	0.00
Marakalo Primary School	500,000.00	500,000.00	500,000.00	500,000.00	0.00
Nakwapua Primary School	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Namoruarengan Primary School	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00
Koleuleui Primary School	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Kangataruk Primary School	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Nawoyawoi Primary School	600,000.00	600,000.00	600,000.00	600,000.00	0.00
Nachuro Primary School	802,027.00	802,027.00	802,027.00	802,027.00	0.00
Atalokamusio Primary School	500,000.00	500,000.00	500,000.00	500,000.00	0.00
Namoruarengan Primary School	500,000.00	500,000.00	500,000.00	500,000.00	0.00
Tiya Primary School	700,000.00	700,000.00	700,000.00	700,000.00	0.00
Kabulokor primary school	2,000,000.00	0.00	2,000,000.00		2,000,000.00
Kaitese primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Kalomegur primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00

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

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

Kangalita primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Kayangapus primary	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Katakuri primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Kodopa primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Koono Primary school	2,000,000.00	0.00	2,000,000.00	2,000,000.00	0.00
Kospir Primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Kotela primary school	892,428.32	0.00	892,428.32	0.00	892,428.32
Lochor - Edome primary	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Lochor-Esekon primary school	1,500,000.00	0.00	1,500,000.00	0.00	1,500,000.00
Lokatul primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Lokipetot Arengan primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Lokopu primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Iokorikipi primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Lokwatubwa primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Lomilo primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Loroo primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Nabuin primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Naipa primary school	4,000,000.00	0.00	4,000,000.00	0.00	4,000,000.00
Nakejuakaal primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Nakwamunyen primary school	500,000.00	0.00	500,000.00	500,000.00	0.00
Nameyana primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Namoru primary school	1,500,000.00	0.00	1,500,000.00	0.00	1,500,000.00
Napeikar primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Naremit primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Natuntun Primary School	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Nawamor Primary School	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Sasa Echoke primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00
Tamanak primary school	2,000,000.00	0.00	2,000,000.00	0.00	2,000,000.00

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

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

Turkana girls primary school	2,300,000.00	0.00	2,300,000.00	0.00	2,300,000.00	0.00	2,300,000.00
Kaekoroakwan Primary	900,000.00	0.00	900,000.00	0.00	900,000.00	0.00	900,000.00
Ururum Primary school		1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00
<b>SECONDARY SCHOOL PROJECTS</b>							
Lorengippi Secondary School		3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	0.00	0.00
Napeililim Secondary School		7,200,000.00	7,200,000.00	7,200,000.00	7,200,000.00	0.00	0.00
Lorengippi Secondary School		1,018,965.00	1,018,965.00	1,018,965.00	1,018,965.00	0.00	0.00
Lomil Girls Secondary School		700,000.00	700,000.00	700,000.00	700,000.00	0.00	0.00
Kalemunyang secondary school	2,100,000.00	0.00	2,100,000.00	0.00	2,100,000.00	0.00	2,100,000.00
Loima boys secondary school	2,100,000.00	0.00	2,100,000.00	2,100,000.00	2,100,000.00	0.00	0.00
Napeililim secondary school	2,300,000.00	0.00	2,300,000.00	2,300,000.00	2,300,000.00	0.00	0.00
Loima girls secondary school	2,100,000.00	0.00	2,100,000.00	0.00	2,100,000.00	0.00	2,100,000.00
Lorengippi secondary school	4,300,000.00	0.00	4,300,000.00	2,150,000.00	2,150,000.00	2,150,000.00	2,150,000.00
Turkwel boys secondary school	2,200,000.00	0.00	2,200,000.00	2,200,000.00	2,200,000.00	0.00	0.00
<b>ICT HUBS PROJECT</b>		0.00		0.00	0.00	0.00	0.00
Kalemunyang ICT Hub		2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	0.00	0.00
Turkwel ICT Hub		2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	0.00	0.00
<b>SECURITY STRUCTURES</b>							
Namoruputh Security Structures		5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	0.00	0.00
MARAKALO AP HOUSES		1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	0.00	0.00
LOMKORI SECURITY CAMP		1,650,000.00	1,650,000.00	1,650,000.00	1,650,000.00	0.00	0.00
Lomokori Security Camp		1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00	0.00
Lorengippi Security Houses	1,000,000.00	0.00	1,000,000.00	0.00	1,000,000.00	0.00	1,000,000.00
	<b>137,367,724</b>	<b>63,938,416</b>	<b>201,306,140</b>	<b>124,305,033</b>	<b>77,001,107</b>		

## **II. 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-LOIMA 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.

## **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 30<sup>th</sup> 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) –  
LOIMA 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.



**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 1<sup>st</sup> July 2019 to 30<sup>th</sup> 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 30<sup>th</sup> 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) –  
LOIMA CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**III. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
	AIE NO: B041088	51,740,875	
Normal Allocation	BO047330	3,300,000	
	BO041109	4,000,000	
	BO41497	20,000,000	
	BO047957	6,000,000	
	BO049356	14,000,000	
	B104210	1,500,000	
	B104380	24,000,000	
			53,320,690
	B030035		1,463,793
	B030265		10,000,000
	B030481		15,000,000
	B006428		6,000,000
	A724460		11,000,000
	B047527		12,000,000
<b>TOTAL</b>		<b>124,540,875</b>	<b>108,784,483</b>

**2. PROCEEDS FROM SALE OF ASSETS**

Description	2018-2019	2017 - 2018
	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	-	-
<b>TOTAL</b>	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LOIMA 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)	-	-
<b>TOTAL</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of contractual employees	5,046,669	3,570,044
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	202,656	-
Gratuity-Paid	-	-
Gratuity-Accrued	-	-
<b>TOTAL</b>	<b>5,249,325</b>	<b>3,570,044</b>

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

**5. USE OF GOODS AND SERVICES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	1,034,080
Hospitality supplies and services	-	-
Other committee expenses	2,443,500	1,311,000
Committee allowance	3,174,730	1,521,900
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	3,524,031	2,584,522
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	-	-
<b>TOTAL</b>	<b>9,142,261</b>	<b>6,451,502</b>

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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to Primary schools	31,138,233	34,409,009
Transfers to Secondary schools	22,694,165	13,610,034
Transfers to Tertiary institutions	-	-
TIVET	-	-
<b>TOTAL</b>	<b>53,832,398</b>	<b>48,019,043</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2019-2020	2018-2019
	Kshs	Kshs
Bursary -Secondary	16,314,000	17,195,400
Bursary -Tertiary	17,148,249	14,130,000
Bursary-Special schools	-	-
Mocks & CAT	-	-
Security	9,800,000	7,200,000
Sports	2,180,000	1,963,792
Environment	3,720,800	227,586
Emergency Projects	6,918,000	8,038,432
<b>TOTAL</b>	<b>56,081,049</b>	<b>48,755,210</b>

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**8. ACQUISITION OF ASSETS**

<b>Non-Financial Assets</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers, printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**9. OTHER PAYMENTS**

	<b>2019-2020</b>	<b>2018-2019</b>
ICT Hub	-	4,677,027
strategic plan	-	-
<b>TOTAL</b>	<b>-</b>	<b>4,677,027</b>

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**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	Account Number	2019-2020	2018-2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
<i>Equity Bank ,Lodwar Branch . Loima NG-CDF</i>	<i>A/C no.0990261717473</i>	<b>3,934,614</b>	<b>3,698,771</b>
<b>10B: CASH IN HAND)</b>			
		2019-2020	2018 - 2019
		Kshs (30/6/2020)	
Location 1		-	-
<b>TOTAL</b>		-	-

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**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	-	-
<b>Total</b>	-	-

**12B. GRATUITY DEPOSITS**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Name 1	-	-
Name 2	-	-
Name 3	-	-
<b>Total</b>	-	-

**13. BALANCES BROUGHT FORWARD**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>(1/7/2018</b>	<b>(1/7/2017)</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	3,698,771	1,576,196
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>3,698,771</b>	<b>1,576,196</b>



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**14. PRIOR YEAR ADJUSTMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	-	-

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST\***

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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**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	-	-
<b>TOTAL</b>	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	-	-
Others (specify)	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,381,896	807,371
Use of goods and services	746,115	4,355,171
Amounts due to other Government entities	68,238,095	43,378,065
Amounts due to other grants and other transfers	5,635,002	15,397,809
Acquisition of assets	-	-
Others (specify)	-	-
<b>TOTAL</b>	<b>77,001,108</b>	<b>63,938,416</b>

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**17.4: PMC account balances (See Annex 5)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	2,005,692.00	11,314,312.00
	2,005,692.00	11,314,312.00

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

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date C	Outstanding Balance 2020 d=a-c	Outstanding Balance 2019	Comments
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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

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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 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
<b>NGCDF Staff salary</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>NGCDFC Staff gratuity</b>							
1							
2							
3							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
1							
2							
3							
<b>Sub-Total</b>							
<b>Grand Total</b>							

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LOIMA CONSTITUENCY

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019-2020	Outstanding Balance 2018-2019	Comments
Compensation of employees		2,381,896	884,354	
Use of goods & services		746,115	0	
Amounts due to other Government entities		68,238,095	36,449,921	
Sub-Total				
Amounts due to other grants and other transfers		5,635,002	10,247,912	
Sub-Total				
Acquisition of assets				
Others ( <i>specify</i> )			4,000,000.00	Construction of ICT Hubs
Sub-Total				
Grand Total		77,001,108	51,582,187.00	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/18</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2019/20</b>
Land	-	-	-	-
Buildings and structures	15,000,000	15,000,000	-	15,000,000
Transport equipment,	45,100,000	45,100,000	-	45,100,000
Office equipment, furniture and fittings	511,000	511,000	-	511,000
ICT Equipment, Software and Other ICT Assets	67,000	67,000	-	67,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>20,678,000</b>	<b>20,678,000</b>		<b>20,678,000</b>

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**17.4: PMC account balances (See Annex 5)**

	PMC	BANK	A/C NO	Kshs	Kshs
1	NAKAMANE PRY SCHOOL	EQUITY	990,279,192,799	5,231.00	11,314,312.00
2	NAPEILILIM SECONDARY SCHOOL	EQUITY	990,278,986,020	389,908.00	
3	NACHURO PRIMARY SCHOOL	EQUITY	990,277,463,913	8,099.00	
4	NAWOIYAWOI PRIMARY SCHOOL	EQUITY	990,277,535,944	368.00	
5	KOLEULEWI PRIMARY SCHOOL	EQUITY	990,277,326,961	155,679.00	
6	KANGATARUK PRIMARY SCHOOL	EQUITY	990,277,463,382	1,270.00	
7	NAMORUARENGAN PRIMARY SCHOOL	EQUITY	990,277,472,674	764,670.00	
8	MARAKALO PRIMARY SCHOOL	EQUITY	990,277,452,566	610,716.00	
9	NAKWASINYEN PRIMARY SCHOOL	EQUITY	990,279,193,907	40,448.00	
0	NAKUJA EKALALE PRIMARY SCHOOL	EQUITY	990,277,410,725	3,960.00	
1	NAKWAMUNYEN PRIMARY SCHOOL	EQUITY	990,279,190,625	19,789.00	
12	NATAPARKAKONO PRIMARY SCHOOL	EQUITY	990,279,190,524	5,554.00	
			<b>TOTAL</b>	<b>2,005,692.00</b>	<b>11,314,312.00</b>



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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)
Presentation and accuracy of financial statement	The financial statements are not accurately presented in accordance with International Public Sector Accounting Standards.	<i>We have revised the figures accordingly to reflect a true and fair view of the report</i>	The manager	Not resolved	immediately
Compensation of Employees	The validity and accuracy of compensation of employees' expenditure Kshs.3, 814,366 for the year ended 30 June 2019 could not be confirmed.	<i>We have amended the figures accordingly to reflect a true position</i>	The manager	Not resolved	immediately
Committee Allowances	The validity and propriety of the committee allowances expenditure of Kshs.1,521,900 for the year ended 30 June 2019 could not be confirmed	The management will ensure that all the documents are availed for audit verification	The manager	Not resolved	immediately
Training Expenses	The validity and propriety of training expenditure of Kshs.1,034,080 for the year ended 30 June 2019 could not be confirmed	The management will avail the document for evidence		Not resolved	immediately
Office and General	The validity and propriety of office and general supplies and services	We have revised and reconciled the figures to	The manager	Not resolved	immediately

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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)
Supplies and Services	expenditure figure of Kshs.2, 347,422 for the year ended 30 June 2019 could not be confirmed	reflect a true position.			

