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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

DATE: 08 MAR 2023

DAY
Wednesday

ON
ABLED
BY:

Hon Owen Bayo, CS, MP
Deputy Majority leader

CLERK-AT
THE-TABLE:

Miriam Moko

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GEM CONSTITUENCY

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

Revised Template 30th June 2021



GEM CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2021

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



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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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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.

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Mary Mwaki
2.	Sub-County Accountant	Carylus Ogola
3.	Chairman NGCDFC	Stephen Angaya
4.	Member NGCDFC	Caroline opala

(d) Fiduciary Oversight Arrangements

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

P.O. Box 53,
SAWAGONGO
GEM NGCDF Building
LUANDA SIAYA ROAD
WAGAI, KENYA

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GEM Constituency

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(f) GEM Constituency NGCDF Contacts

Telephone: (254) GEM
E-mail: cdfgem@ngcdf.go.ke
Website: www.gemcdf.go.ke

(g) GEM Constituency NGCDF Bankers

CO-OPERATIVE BANK
Yala Branch
P.O box 195
Yala

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT



STEPHEN OKOTH ANGAYA
CHAIRMAN – NG-CDF GEM

In the financial year 2020/2021 the Gem NG-CDF had an original budget of Kshs.137,354,879 but the final budget had amounted to Kshs. 220,541,297 because of the balances from the previous years that were later received within the 2020/2021 financial year. Out of the original budget for the financial year 20120/2021, our constituency had only managed to receive a total of Ksh. 91,866,002 to date and we are hopeful that we shall receive the balances soon.

Below is the summary of our expenses.

Description	Amount
Compensation of Employees	5,257,518
Use of goods and services	8,272,117
Transfers to Other Government Units	131,088,197
Other grants and transfers	25,091,446
TOTAL	169,709,278

The Constituency has practiced good financial governance which is prudent in ensuring efficiency, effectiveness, responsiveness and accountability of public funds. Our financial statements are good, but the real benefit of our success is what it means to the constituents we serve. To this, I am incredibly proud of the team that ensured all this is possible and I therefore convey my utmost gratitude to the FAM, the DA and the internal Audit team.

Through our project implementation in the financial year 2020/2021, we have made tremendous and significant contributions to the constituency. The ripple effect of our multiple projects in the constituency is highly manifested by increase in job creation for the locals (especially youths, women and people with special needs), increase in literacy levels and an amazing reduction in school dropout rates, easy access to basic services through improved infrastructural development and equitable development in the whole constituency. We have also managed to take care of our constituents by distributing sanitizers, soaps and supply of small plastic tanks for hand washing.

We have faced profound challenges during this financial year. The first being late disbursements of fund from the NG-CDF Board, piece meal funding approach as adopted by the NG-CDF-Board and the outbreak of covid 19. These challenges have greatly curtailed timely implementation of our projects. However, despite the challenges we have faced during the financial year, we have managed to execute almost half of the projects in our code list.

Highlighted below are some of flagship projects that the committee was able to initiate over the past financial year



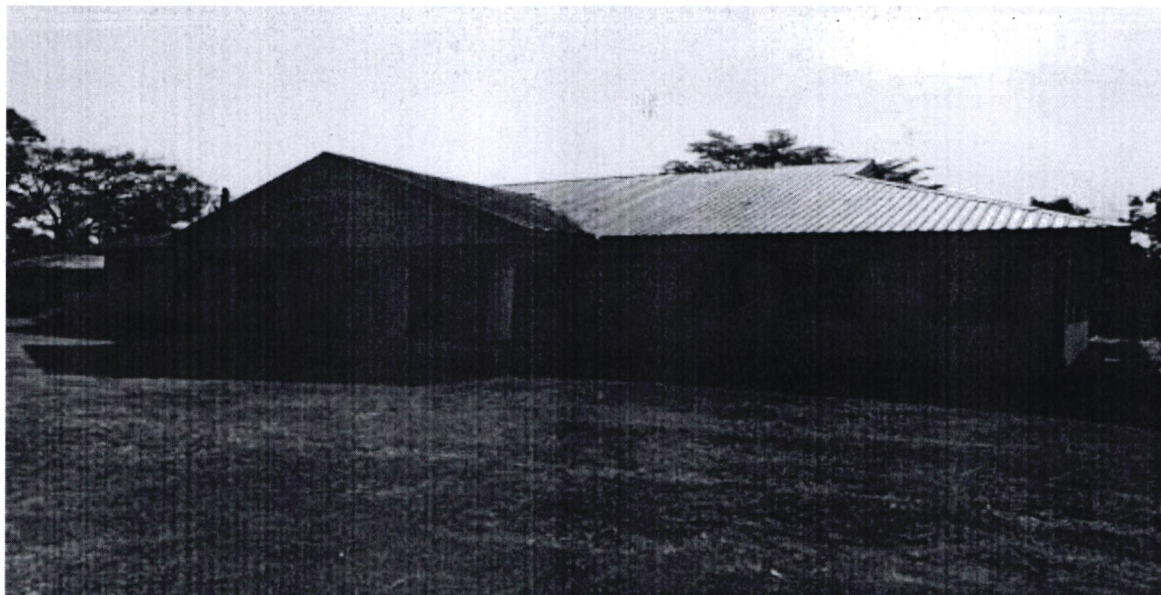
CONSTRUCTION OF 2 CLASSROOMS AT RERA KMTC FUNDED BY GEM NG-CDF



CONSTRUCTION OF A DORMITORY AT ARGWING'S KODHEK FUNDED BY GEM NG-CDF IN THE FINANCIAL YEAR 2018/2019 -2020/2021



CONSTRUCTION OF A SCIENCE LABORATORY AT YALA TOWNSHIP SECONDARY SCHOOL FUNDED BY GEM NG-CDF




CONSTRUCTION OF ADMINISTRATION BLOCK AT KAMBARE SECONDARY SCHOOL FUNDED BY GEM NG-CDF

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SCHOOL BUS FOR NYAMNINIA MIXED SECONDARY SCHOOL FUNDED BY GEM NG-CDF IN THE FINANCIAL YEAR 2019/2020

Sign 
NAME: STEPHEN OKOTH ANGAYA
CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- a) Building consensus and develop a vision of the Gem we want through a consultative process.
- b) Establish a baseline for residents' satisfaction level with services provided in the various sectors by the constituency.
- c) Prioritize and rank the constituency's economic, social and political development needs through analysis and identification of critical problems and opportunities.
- d) Develop effective strategies to achieve the desired vision and objectives of the constituency.
- e) Prepare an implementation schedule for priority programmes and projects in the constituency.
- f) Develop and present a five -year strategic development plan for the constituency.

Progress on attainment of Strategic development objectives

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, number of bursary beneficiaries at all levels	In FY 2020/2021 - We have ensured that all the on-going projects are fully completed. We have also ensured that floors of all the projects funded by Gem NG-CDF are tilled In addition to the existing infrastructure, we have constructed 20 new classrooms, 4 new dormitories and 2 laboratories. The number of bursary beneficiaries have increased by 500 as compared to 2019/2020 financial year.
Security	To enhance security within the constituency by improving public	The Gem NG-CDF has constructed many chiefs' offices, and police post	The number of security institutions funded by Gem NG-CDF in	The organization funded 7 security institutions in 2020/2021

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Constituency Program	Objective	Outcome	Indicator	Performance
	administration and governance			
Environment	To provide conducive environment with enough water, air and food	Our constituents are able to access water easily since plastic water tanks can collect more water. We have also been experiencing more rains due to plantation of more trees.	The number of institutions where trees were planted and the water tanks purchased.	The constituency has installed 10 ,000 litres plastic water tanks in 10 schools. We have also planted tree seedlings in 17 schools..
Sports	To nurture and develop identified sport and culture talents in the constituency.	<ol style="list-style-type: none">1. Establish Gem sport and culture kitty.2. Issuing of sports and culture award to winners.	The number of teams sponsored by NG-CDF	The sports tournament equipment for various teams in Gem.
Disaster Management	Allocating emergency funds every year to cater for unforeseen circumstances.	The office has been in a position to assist the affected schools.	The number of institutions sponsored by NG-CDF emergency fund	We had managed to renovate DCCs offices and residential, The office has also constructed 7 pit latrines and renovated 3 classrooms blown by wind.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

- Education and Training:** GEM NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary

institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars; Gem NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the Gem NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The Gem NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

Environmental conservation is a major concern in the whole world and Gem Constituency has also not been left behind in environmental conservation. In every financial year, we allocate fund towards environment. We have managed to distribute tree seedlings and installing plastic water tanks to various institutions. The youths from Gem constituency have not been left behind in conserving the environment; the office has conducted several trainings on environmental conservation and also involving the youths in cleaning public places like market centres, institutions and roads.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build

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on their skills and knowledge. Gem constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

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

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

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

Gem NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

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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.

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



V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Gem Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Gem Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Gem Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

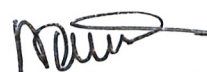
The Accounting Officer in charge of the NGCDF Gem Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the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

Approval of the financial statements

The NGCDF- Gem Constituency financial statements were approved and signed by the Accounting Officer on 17th July, 2021.

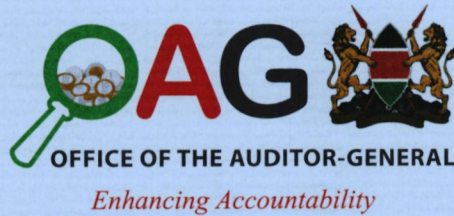


Chairman NGCDF Committee
Name:



Fund Account Manager
Name:

REPUBLIC OF KENYA



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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Gem Constituency set out on pages 16 to 57, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund-Gem Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Constituencies Development Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflect an amount of Kshs.131,088,197 in respect of transfers to other Government units. However, the supporting disclosure in Note 6 to the financial statements reflects a total of Kshs.127,922,775 for the same expenditure item resulting to an unexplained variance of Kshs.3,165,422.

Similarly, the statement of receipts and payments reflect an amount of Kshs.25,091,446 in respect of other grants and transfers. However, the supporting disclosure in Note 7 to the financial statements reflects a total of Kshs.28,256,868 for the same expenditure item resulting to an unexplained variance of Kshs.3,165,422.

In the circumstances, the accuracy of the financial statements could not be confirmed.

2. Overstatement of Transfers to Government Units

The statement of receipts and payments reflects an amount of Kshs.131,088,197 and Kshs.25,091,446 in respect of transfer to other government units and other grants and transfers as disclosed in Note 6 and 7 to the financial statements. However, cheques totalling to Kshs.650,000 that were not disbursed to the intended beneficiaries had become stale and were not reversed resulting to an overstatement of the transfers.

In the circumstances, the accuracy of the transfers to other Government units and other grants and transfers could not be confirmed.

3. Misstatement of Training Expenses

The statement of receipts and payments reflects an amount of Kshs.8,272,117 in respect to use of goods and services which as disclosed in Note 5 to the financial statements includes an amount of Kshs.1,831,600 for training expenses. However, included in the ledger for training expenses is an entry of Kshs.864,000 which is reflected in the cash

book and bank statement as Kshs.914,000 resulting to an understatement of Kshs.50,000. Further, the supporting payment voucher was not provided for audit.

In the circumstances, the accuracy of the training expenses could not be confirmed.

4. Unsupported Expenditure on Projects

The statement of receipts and payments reflects an amount of Kshs.131,088,197 in respect of transfer to other Government units which as disclosed in Note 6 to the financial statements includes expenditure of Kshs.46,115,590 in respect of transfers to secondary schools. Included in this amount is an amount of Kshs.2,367,545 allocated and disbursed to a school for the completion of 100 students' capacity dormitory. This was in addition to Kshs.2,000,000 that had been allocated and disbursed to the project in 2019-2020 resulting to a total allocation of Kshs.4,367,545.

The construction works were awarded to a contractor as per letter of award dated 12 August, 2019 at a cost of Kshs.4,367,545. However, the contract agreement was not provided for audit. Further, review of PMC's bank accounts statements revealed that the Committee had spent Kshs.1,753,745 as at 30 June, 2021. However, supporting interim payment certificates were not provided for audit and the balance of Kshs.2,613,800 was in the bank. Project verification carried out in April, 2022 revealed that the contractor had only done the foundation level and was not on site. No explanation was provided for the stalling the project yet funds were available.

Similarly, the statement of receipts and payments reflects an amount of Kshs.25,091,446 under other grants and other payments which as disclosed in Note 7 to the financial statements includes expenditure of Kshs.9,816,160 in respect of security projects. Included in this amount is an amount of Kshs.3,499,992 disbursed to Mutumbu AP Camp for the construction of a social hall made up of an allocation of Kshs.1,800,000 and Kshs.1,699,992 for 2019/2020 and 2020/2021 financial years respectively. According to the tender award letter, the contract was awarded to a contractor in 2019/2020 financial year at a cost of Kshs.3,580,282. However, the contract agreement, interim payment certificates and bank statements to ascertain the contractual terms and the amounts paid to the contractor were not provided for audit. Physical verification in April, 2022 revealed that the contractor had not carried out electrical works, ceiling board and tiling all costing Kshs.685,430.

In the circumstances, the accuracy and completeness of the expenditure on the projects 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 - Gem 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 a comparable basis of Kshs.221,021,297 and Kshs.175,532,419 respectively resulting to an under-funding of Kshs.45,488,878 or 21% of the budget. Similarly, the Fund expended an amount of Kshs.169,709,278 against an approved budget of Kshs.221,021,297 resulting to an under-expenditure of Kshs.51,312,019 or 23% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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. Procurement of a Bus with Lower Specifications than Contracted

The Fund procured a 51-seater school bus for Nyamnina Secondary School at a cost Kshs.7,162,500 from a supplier on 29 September, 2020. However, physical verification of the bus and its log book revealed that the supplier had instead delivered a 45-seater bus. No explanation was provided as to why the Project Management Committee (PMC) accepted the supplied bus.

In the circumstances, value for money was not obtained.

2. Unconfirmed Expenditure for Environment Projects

The statement of receipts and payments reflects an amount of Kshs.25,091,446 in respect of other grants and other payments which, as disclosed in Note 7 to the financial statements includes Kshs.3,790,000 in respect of environment projects. This amount in turn includes Kshs.2,600,000 disbursed to twenty-seven (27) schools to cater for purchase of a 10,000-litre water tank and supply, delivery and planting of 700 tree

seedlings per school. However, as at the time of audit in April, 2022, all the beneficiary schools had not submitted expenditure returns to the Fund to confirm how the funds disbursed to them were utilized.

In the circumstances, the effectiveness of the environmental projects could not be confirmed.

3. Non-Emergency Related Payments

The statement of receipts and payments reflects an amount of Kshs.25,091,446 under other grants and other payments which as disclosed in Note 7 to the financial statements includes an expenditure of Kshs.6,802,500 in respect of emergency projects . However, an amount of Kshs.2,102,500 was spent on projects whose emergency nature was not supported. This is contrary to Section 8(3) of the National Government Constituency Development Fund Act, 2015 which defines emergency projects.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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

Uneconomical Motorcycles

Included in the assets register as at 30 June, 2021 are five (5) motorcycles valued at Kshs.598,000. However, physical verification and mechanical inspection report dated 18 August, 2020 respectively indicated that the motorcycles were uneconomical to repair but the Fund Management had taken no measures to dispose the motor cycles.

In the circumstances, the effectiveness of internal controls could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, the Management is also responsible for ensuring that the Fund's 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 was 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 considered internal controls 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

- Identified and assessed 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 obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the constituency ability 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 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 communicated with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provided 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

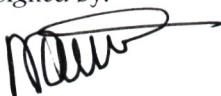
27 September, 2022

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

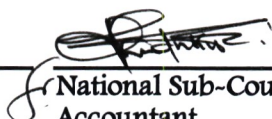
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	168,867,724	122,290,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	480,000	449,640
TOTAL RECEIPTS		169,347,724	122,740,516
PAYMENTS			
Compensation of employees	4	5,257,518	4,485,000
Use of goods and services	5	8,272,117	11,482,951
Transfers to Other Government Units	6	127,922,775	88,746,166
Other grants and transfers	7	28,256,868	45,103,769
Acquisition of Assets	8	-	6,304,000
Other Payments	9	-	2,625,000
TOTAL PAYMENTS		169,709,278	158,746,886
SURPLUS/DEFICIT		(361,554)	(36,006,371)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gem Constituency financial statements were approved on 17th July, 2021 and signed by:



Fund Account Manager
Name: MARY MWAKI



National Sub-County
Accountant
Name: CARRYLUS OGOLA
ICPAK M/No: 7430



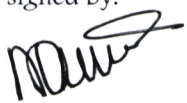
Chairman NG-CDF Committee
Name: STEPHEN ANGAYA

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

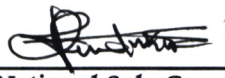
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,607,069	6,184,695
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		6,607,069	6,184,695
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		6,607,069	6,184,695
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	783,928	-
NET FINANCIAL ASSETS		5,823,141	6,184,695
REPRESENTED BY			
Fund balance b/fwd 1st July...		6,184,695	42,191,065
Prior year adjustments	14	-	
Surplus/Deficit for the year		(361,554)	(36,006,371)
NET FINANCIAL POSITION		5,823,141	6,184,695

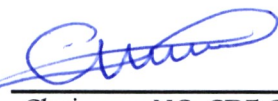
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Fund Account Manager
Name: MARY MWAKI



**National Sub-County
Accountant**
Name: CARRYLUS OGOLA
ICPAK M/No: 7430



Chairman NG-CDF Committee
Name: STEPHEN ANGAYA

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

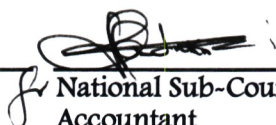
IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	168,867,724	122,290,876
Other Receipts	3	480,000	449,640
		169,347,724	122,740,516
Payments for operating activities			
Compensation of Employees	4	5,257,518	4,485,000
Use of goods and services	5	8,272,117	11,482,951
Transfers to Other Government Units	6	127,922,775	88,746,166
Other grants and transfers	7	28,256,868	45,103,769
Other Payments	9	-	2,625,000
		169,709,278	152,442,886
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	783,928	-
Prior year Adjustments	14	-	-
Net Adjustments		783,928	-
Net cash flow from operating activities		422,374	(29,702,371)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	6,304,000
Net cash flows from Investing Activities		-	6,304,000
NET INCREASE IN CASH AND CASH EQUIVALENT			
		422,374	(36,006,371)
Cash and cash equivalent at BEGINNING of the year	13	6,184,695	42,191,065
Cash and cash equivalent at END of the year		6,607,069	6,184,695

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gem Constituency financial statements were approved on 17th July, 2021 and signed by:



Fund Account Manager
Name: MARY MWAKI



National Sub-County
Accountant
Name: CARRYLUS OGOLA
ICPAK M/No: 7430



Chairman NG-CDF Committee
Name: STEPHEN ANGAYA

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

I. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,088,879	77,001,723	220,275,297	175,052,419	45,222,878	79.5%
Proceeds from Sale of Assets	-		-		-	0.0%
Other Receipts	266,000	480,000	746,000	480,000	266,000	64.3%
TOTAL RECEIPTS	137,354,879	77,481,723	221,021,297	175,532,419	45,488,878	79.4%
PAYMENTS						
Compensation of Employees	4,768,945	1,445,681	6,998,554	5,257,518	1,741,036	75.1%
Use of goods and services	7,522,994	1,400,887	8,923,881	8,272,117	651,764	92.7%
Transfers to Other Government Units	81,024,241	44,144,320	130,569,328	127,922,775	2,646,553	98.0%
Other grants and transfers	44,038,699	19,108,076	63,146,775	28,256,868	34,889,907	44.7%
Acquisition of Assets		10,453,119	10,453,119	-	10,453,119	0.0%
Other Payments	0	449,640	449,640	-	449,640	0.0%
Unallocated		480,000	480,000	-	480,000	
TOTAL	137,354,879	77,481,723	221,021,297	169,709,278	51,312,019	76.8%

GEM Constituency
National Government Constituencies Development Fund (NGCDF)
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(a) *The Kshs. 480,000 was cash deposited by former staffs who were surcharged for mis conduct, thus deposited as follows; Kshs. 140,000, 150,000, 150,000 and 40,000.*

(b)


- i. *Transfers from Board received were 79.4% due to late disbursement of funds from the exchequer.*
- ii. *Employees compensation is 75.1% due to the accumulation of gratuity which will be paid at the end of contract period of the various NG-CDFC employees.*
- iii. *Other grants and transfers is at 39.7% due to the suspension of Kenya schools and colleges education calendar brought about by the Covid 19 pandemic.*
- iv. *Because of number (iii) above there was a reallocation from bursaries to various projects under transfer to other Government units of Kshs. 11,000,000*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	51,312,019
Less undisbursed funds receivable from the Board as at 30 th June 2021	(45,488,878)
Add Accounts payable	783,928
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	6,607,070

The NGCDF-GEM Constituency financial statements were approved on 17th July,2021 and signed by:



Fund Account Manager
Name: MARY MWAKI



National Sub-County
Accountant
Name: CARRYLUS OGOLA
ICPAK M/No: 7430



Chairman NG-CDF Committee
Name: STEPHEN ANGAYA

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

X. BUDGET EXECUTION BY SECTORS AND PROJEC

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,768,945	734,695	1,445,681	6,949,321	5,257,518	1,691,803	
1.2 Committee allowances	1,452,240		-	1,452,240	2,649,450	(1,197,210)	
1.3 Use of goods and services	1,950,108		1,400,887	3,350,995	1,986,900	1,364,095	
Total	8,171,293	734,695	2,846,568	11,752,556	9,893,868	1,858,688	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,000,000		-	1,000,000	1,831,600	(831,600)	
2.2 Committee allowances	2,000,000		-	2,000,000	1,437,100	562,900	
2.3 Use of goods and services	1,120,646		-	1,120,646	367,067	753,579	
Total	4,120,646	-	-	4,120,646	3,635,767	484,879	
3.0 Emergency							
3.1 Primary Schools	4,800,000			4,800,000	4,800,000	-	
3.2 Secondary schools	450,500			450,500	450,500	-	
3.3 Tertiary institutions	399,880			399,880	399,880	-	
3.4 Security projects	1,066,000		-	1,066,000	1,066,000	-	
3.5 Unutilised	475,827			475,827		475,827	
Total	7,192,207	-	-	7,192,207	6,716,380	475,827	
4.0 Bursary and Social Security							
4.1 Secondary Schools	12,400,000		10,963,076	23,363,076	12,400,000	30,550,000	

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

4.2 Tertiary Institutions	10,000,000		3,600,000	13,600,000	6,423,435	7,176,565
4.3 Social Security	3,600,000		3,600,000	7,200,000	0	7,200,000
4.4 Special Needs	0		945,000	945,000	0	
Total	26,000,000	-	19,108,076	45,108,076	18,823,435	44,926,565
5.0 Sports	2,600,000	-		2,600,000	0	2,600,000
5					0	-
Total	2,600,000	-	-	2,600,000	0	2,600,000
6.0 Environment						
MALIERA PRIMARY SCHOOL	70,000	-	-	70,000	-	70,000
Muhanda Primary	70,000	-	-	70,000	-	70,000
Asayi Primary School	70,000	-	-	70,000	-	70,000
Ndere Primary School	70,000	-	-	70,000	-	70,000
Dienya Primary School	70,000	-	-	70,000	-	70,000
Kotoo Primary School	70,000	-	-	70,000	-	70,000
Nyasidhi Secondary School	70,000	-	-	70,000	-	70,000
Uganga Primary School	70,000	-	-	70,000	-	70,000
Bar-Sauri Primary School	70,000	-	-	70,000	-	70,000
Gongo Primary School	70,000	-	-	70,000	-	70,000
St. Boniface Aluor Mixed Primary	70,000	-	-	70,000	-	70,000
Nyangulu Primary School	70,000	-	-	70,000	-	70,000
Nyasidhi Primary School	70,000	-	-	70,000	-	70,000
Uyonga Primary School	70,000	-	-	70,000	-	70,000
Bar-Kalare Primary School	70,000	-	-	70,000	-	70,000
Siriwo Primary School	70,000	-	-	70,000	-	70,000
Ojwach Primary School	70,000	-	-	70,000	-	70,000

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

MAUNGO PRIMARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
URIRI PRIMARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
UGANGA PRIMARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
ST. PAULS JINA SECONDARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
WAGAI SECONDARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
NANGO GONDA PRIMARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
MUTUMBU PRIMARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
SIDADA PRIMARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
KAUDHA SECONDARY SCHOOL	141,000	-	-	141,000	-	141,000	-	141,000
YALA POLICE STATION	141,000	-	-	141,000	-	141,000	-	141,000
Total	2,600,000	-	-	2,600,000	-	2,600,000	0	2,177,000
7.0 Primary Schools Projects								
UGANGA PRIMARY SCHOOL				2,600,000		2,600,000		-
UGANGA PRIMARY SCHOOL			300,000	300,000		300,000		-
MAUNGO PRIMARY SCHOOL			1,100,000	1,100,000		1,100,000		-
KAGILO PRIMARY SCHOOL			1,000,000	1,000,000		1,000,000		-
MUTUMBU PRIMARY SCHOOL			1,500,000	1,500,000		1,500,000		-
Asayi Primary School	200,000			200,000		200,000		-
NDENE PRIMARY SCHOOL			1,200,000	1,200,000		1,200,000		-
NYABEDA PRIMARY SCHOOL			600,000	600,000		600,000		-
NYABEDA PRIMARY SCHOOL			400,000	400,000		400,000		-

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

KOMUOK PRIMARY SCHOOL	-	800,000	800,000	800,000	-	-
MULARE PRIMARY SCHOOL	-	300,000	300,000	300,000	-	-
DIENYA PRIMARY SCHOOL	-	200,000	200,000	200,000	-	-
BAR-KATADO PRIMARY SCHOOL	-	1,100,000	1,100,000	1,100,000	-	-
KAGILO PRIMARY SCHOOL	-	1,100,000	1,100,000	1,100,000	-	-
KUDHO PRIMARY SCHOOL	-	1,100,000	1,100,000	1,100,000	-	-
ALUOR MIXED PRIMARY	-	1,100,000	1,100,000	1,100,000	-	-
SIREMBE PRIMARY	-	200,000	200,000	200,000	-	-
KANYILAJI PRIMARY SCHOOL	-	200,000	200,000	200,000	-	-
OJWAYA PRIMARY SCHOOL	-	100,000	100,000	100,000	-	-
OJWAYA PRIMARY SCHOOL	-	150,000	150,000	150,000	-	-
RABUOR PRIMARY SCHOOL	-	700,000	700,000	700,000	-	-
UMINA PRIMARY SCHOOL	-	500,000	500,000	500,000	-	-
BAR-TURO PRIMARY	-	600,000	600,000	600,000	-	-
MULARE PRIMARY SCHOOL	-	500,000	500,000	500,000	-	-
UJIMBE PRIMARY SCHOOL	-	-	-	-	-	-
WAMBUSA PRIMARY	-	200,000	200,000	200,000	-	-
SINAGA PRIMARY	-	500,000	500,000	500,000	-	-
SINAGA PRIMARY	-	600,000	600,000	600,000	-	-
J.M REMBE	-	500,000	500,000	500,000	-	-
LIGOMA PRIMARY	-	200,000	200,000	200,000	-	-
AHONO PRIMARY	-	800,000	800,000	800,000	-	-
KOJUOK PRIMARY	-	600,000	600,000	600,000	-	-
NYAMINIA PRIMARY	-	700,000	700,000	700,000	-	-
UGANGA PRIMARY	-	600,000	600,000	600,000	-	-
AKALA TOWNSHIP	-	500,000	500,000	500,000	-	-

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

AKALA TOWNSHIP	-	-	600,000	600,000	600,000	-
SINAGA PRIMARY SCHOOL	-	-	1,200,000	1,200,000	1,200,000	-
RAMULA PRIMARY SCHOOL	-	-	1,100,000	1,100,000	1,100,000	-
ULAMBA PRIMARY SCHOOL	-	-	1,100,000	1,100,000	1,100,000	-
MASINDE PRIMARY SCHOOL	-	-	1,100,000	1,100,000	1,100,000	-
OJWACH PRIMARY	-	-	1,100,000	1,100,000	1,100,000	-
WANGOJI PRIMARY	-	-	589,640	589,640	589,640	-
ULAMBA PRIMARY SCHOOL	1,100,000	-	1,100,000	1,100,000	1,100,000	-
NYAMNINIA PRIMARY SCHOOL	800,000	-	800,000	800,000	800,000	-
OPAL PRIMARY SCHOOL	350,000	-	350,000	350,000	350,000	-
MASENE PRIMARY SCHOOL	500,000	-	500,000	500,000	500,000	-
MUSEMBE PRIMARY SCHOOL	600,000	-	600,000	600,000	600,000	-
OBER PRIMARY	900,000	-	900,000	900,000	900,000	-
GOT REGEA PRIMARY	600,000	-	600,000	600,000	600,000	-
UTHANYA PRIMARY	900,000	-	900,000	900,000	900,000	-
URANGA PRIMARY	-	-	400,000	400,000	400,000	-
OMINDO PRIMARY	900,000	-	900,000	900,000	900,000	-
OJWAYA PRIMARY	500,000	-	500,000	500,000	500,000	-
NDERE MIXED PRIMARY	900,000	-	900,000	900,000	900,000	-
MALELE PRIMARY	-	-	400,000	400,000	400,000	-
ONYNYORE PRIMARY	900,000	-	900,000	900,000	900,000	-
SIREMBE PRIMARY	600,000	-	600,000	600,000	600,000	-
OJOLA PRIMARY	900,000	-	900,000	900,000	900,000	-
GONGO PRIMARY	-	-	800,000	800,000	800,000	-
GOGO PRIMARY SCHOOL	1,500,000	-	1,500,000	1,500,000	1,500,000	-
ALUOR GIRLS PRIMARY	900,000	-	900,000	900,000	900,000	-
GONGO PRIMARY	-	-	400,000	400,000	400,000	-

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ABUCHE PRIMARY	500,000	-	-	500,000	500,000	-
ABUCHE PRIMARY	600,000	-	-	600,000	600,000	-
KARARIW PRIMARY	600,000	-	-	600,000	600,000	-
KARARIW PRIMARY	600,000	-	-	600,000	600,000	-
MUTUMBU PRIMARY	500,000	-	-	500,000	500,000	-
MUTUMBU PRIMARY	500,000	-	-	500,000	500,000	-
KAGILO PRIMARY	600,000	-	-	600,000	600,000	-
KAGILO PRIMARY	400,000	-	-	400,000	400,000	-
LUNDHA PRIMARY SCHOOL	600,000	-	-	600,000	600,000	-
LUNDHA PRIMARY SCHOOL	500,000	-	-	500,000	500,000	-
PALA VALEY PRIMARY	1,100,000	-	-	1,100,000	1,100,000	-
BAR-KAWANDU PRIMARY SCHOOL	600,000	-	-	600,000	600,000	-
BAR-KAWANDU PRIMARY SCHOOL	500,000	-	-	500,000	500,000	-
MALIERA PRIMARY	900,000	-	-	900,000	900,000	-
MALIERA PRIMARY	800,000	-	-	800,000	800,000	-
MING'AWO PRIMARY	800,000	-	-	800,000	800,000	-
MING'AWO PRIMARY	700,000	-	-	700,000	700,000	-
BAR-KALARE PRIMARY	700,000	-	-	700,000	700,000	-
BAR-KALARE PRIMARY	400,000	-	-	400,000	400,000	-
OROMBE RIVER PRIMARY	800,000	-	-	800,000	800,000	-
OROMBE RIVER PRIMARY	300,000	-	-	300,000	300,000	-
Jina Primry School	900,000	-	-	900,000	900,000	-
Jina Primry School	800,000	-	-	800,000	800,000	-
Jina Primry School	500,000	-	-	500,000	500,000	-
KOTOO PRIMARY SCHOOL	300,000	-	-	300,000	300,000	-
APUOYO PRIMARY	900,000	-	-	900,000	900,000	-

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WANG'BITH PRIMARY SCHOOL	900,000	-	-	900,000	900,000	-
RAMULA PRIMARY	900,000	-	-	900,000	900,000	-
RAMULA PRIMARY	900,000	-	-	900,000	900,000	-
RAMULA PRIMARY	400,000	-	-	400,000	400,000	-
URANGA PRIMARY SCHOOL	900,000	-	-	900,000	900,000	-
KARUWA PRIMARY SCHOOL	900,000	-	-	900,000	900,000	-
SIRODHA PRIMARY SCHOOL	900,000	-	-	900,000	900,000	-
NYAWARA PRIMARY SCHOOL	900,000	-	-	900,000	900,000	-
URIRI PRIMARY SCHOOL	900,000	-	-	900,000	900,000	-
URIRI PRIMARY SCHOOL	200,000	-	-	200,000	200,000	-
TATRO PRIMARY SCHOOL	900,000	-	-	900,000	900,000	-
TATRO PRIMARY SCHOOL	300,000	-	-	300,000	300,000	-
WAGWER PRIMARY SCHOOL	700,000	-	-	700,000	700,000	-
WAGWER PRIMARY SCHOOL	400,000	-	-	400,000	400,000	-
ULUMBI PRIMARY	800,000	-	-	800,000	800,000	-
ST. ANNS MARENYO	500,000	-	-	500,000	500,000	-
ULUMBI PRIMARY	300,000	-	-	300,000	300,000	-
NYAGONDO PRIMARY	900,000	-	-	900,000	900,000	-
UJIMBE PRIMARY	600,000	-	-	600,000	600,000	-
NDIRU PRIMARY	900,000	-	-	900,000	900,000	-
NDORI PRIMARY	900,000	-	-	900,000	900,000	-
MULARE PRIMARY	400,000	-	-	400,000	400,000	-
Total	44,850,000	1,300,000	26,239,640	76,189,640	76,189,640	-
8.0 Secondary Schools Projects						
ST.PAUL'S JINA SEC. SCHOOL	-	-	500,000	500,000	500,000	-

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KAMBARE SECONDARY	-	-	800,000	800,000	800,000	-
WAGAI SECONDARY SCHOOL	-	750,000	-	750,000	750,000	-
NYABEDA SECONDARY SCHOOL	-	1,000,000	-	1,000,000	1,000,000	-
NDERE MIXED SEC. SCHOOL	-	1,100,000	-	1,100,000	1,100,000	-
ST. STEPHEN ALUOR MIXED	-	1,000,000	-	1,000,000	1,000,000	-
MUTUMBU GIRLS SECONDARY	-	300,000	-	300,000	300,000	-
NDERE MIXED SECONDARY SCHOOL	-	-	600,000	600,000	600,000	-
NYAPIEDHO SECONDARY	-	-	1,100,000	1,100,000	1,100,000	-
B-A OHANGA SECONDARY SCHOOL	-	-	1,100,000	1,100,000	1,100,000	-
SAWAGONGO HIGH SCHOOL	-	-	1,000,000	1,000,000	1,000,000	-
MALELE SECONDARY SCHOOL	-	-	1,100,000	1,100,000	1,100,000	-
ST.BARNABAS ANYIKO	-	-	500,000	500,000	500,000	-
NYANGULU SECONDARY	-	-	600,000	600,000	600,000	-
NYANGULU SECONDARY	-	-	400,000	400,000	400,000	-
APUOYO SECONDARY	-	-	600,000	600,000	600,000	-
NYAWARA GIRLS	-	-	500,000	500,000	500,000	-
YALA TOWNSHIP SECONDARY	-	-	800,000	800,000	800,000	-
WAGWER SECONDARY	-	-	338,000.00	338,000	338,000	-
APUOYO SECONDARY	-	-	500,000.00	500,000	500,000	-
KENYA COACHES INDUST. LTD.	-	-	6,968,518.00	6,968,518	6,968,518	-
VAT	-	-	135,662.00	135,662	135,662	-
KAMBARE SEC.	-	-	300,000.00	300,000	300,000	-
DHENE MIXED SECONDARY	600,000	-	-	-	600,000	-

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DHENE MIXED SECONDARY	400,000				-	400,000	400,000	-
NYAGONDO MIXED SECONDARY	800,000				-	800,000	800,000	-
NYAGONDO MIXED SECONDARY	300,000				-	300,000	300,000	-
HORACE ONGILI MIXED SEC.	700,000				-	700,000	700,000	-
HORACE ONGILI MIXED SEC.	400,000				-	400,000	400,000	-
NYALUNYA MIXED SEC.	900,000				-	900,000	900,000	-
NYALUNYA MIXED SEC.	200,000				-	200,000	200,000	-
YALA TOWNSHIP SEC.	900,000				-	900,000	900,000	-
YALA TOWNSHIP SEC.	800,000				-	800,000	800,000	-
ARGWINGS KODHECK	900,000				-	900,000	900,000	-
ARGWINGS KODHECK	800,000				-	800,000	800,000	-
ARGWINGS KODCHECK	600,000				-	600,000	600,000	-
KENYA COACHES INDUS	-	-			62,500	62,500	62,500	-
NYANGULU SECONDARY SCHOOL	7,141,606				-			
OJOLA MIXED SECONDARY	800,000				-	800,000	800,000	-
OJOLA MIXED SECONDARY	200,000				-	200,000	200,000	-
NYASIDHI SECONDARY	700,000				-	700,000	700,000	-
NYASIDHI SECONDARY	300,000				-	300,000	300,000	-
NDEGWE SECONDARY SCHOOL	900,000				-	900,000	900,000	-
NDEGWE SECONDARY SCHOOL	600,000				-	600,000	600,000	-
NDERE MIXED SECONDARY	200,000				-	200,000	200,000	-
NDERE MIXED SECONDARY	800,000				-	800,000	800,000	-
DIENYA MIXED	500,000				-	500,000	500,000	-
DIENYA MIXED	500,000				-	500,000	500,000	-
KAMABRE SECONDARY	700,000				-	700,000	700,000	-

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DIENYA EAST ASSISTANT CHIEF	710,000	-	-	710,000	-	710,000	
WAGAI WEST ASSISTANT CHIEF	450,000	-	-	450,000	-	450,000	
CENTRAL GEM CHIEFS OFFICE	400,000	-	-	400,000	-	400,000	
NGUGE ASSISTANT CHIEF OFFICE	750,000	-	-	750,000	-		
NYANDIWA ASSISTANT CHIEF	750,000	-	-	750,000	-	750,000	
Total	5,380,492	0	0	3,680,500	70,500	2,860,000	
11.0 Acquisition of assets							
	-						
	-	10,453,119		10,453,119	-	10,453,119	
	-	-		-	-	-	
	-	-		-	-	-	
Total	0	10,453,119		10,453,119		10,453,119	
12.0 Other payments							
Previous			-			-	
Total							
13.0 unallocated fund							
Unapproved projects			929,640			-	
AIA	266,000		-			-	
PMC savings							
Total			929,640		0		
	137,354,879	6,184,695	77,481,723	221,021,297	169,709,278	51,312,019	

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

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XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

GEM Constituency

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External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash 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 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

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For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2021 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
	AIE NO.	Kshs	Kshs
	A823513	35,367,724	47,540,876
Normal Allocation	B124700	8,000,000	4,000,000
	B096948	15,000,000	6,000,000
	B104598	19,000,000	20,000,000
		7,500,000	23,000,000
	B124939	8,500,000	15,000,000
	B119794	12,000,000	6,750,000
	B128084	6,900,000	
	B128394	7,000,000	
	B132138	6,000,000	
	B138807	12,000,000	
	B126392	12,600,000	
	B126103	7,000,000	
		12,000,000	
TOTAL		168,867,724	122,290,876

2. PROCEEDS FROM SALE OF ASSETS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	109,640
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Rebanking		
CASH DEPOSIT	480,000	
Other Receipts Not Classified Elsewhere (specify)	-	340,000
TOTAL	480,000	449,640

4. COMPENSATION OF EMPLOYEE

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,779,339	3,122,809
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	180,343
Leave allowance	1,499,331	-
Gratuity-contractual employees	783,928	975,258
Employer Contributions Compulsory national social security schemes	194,920	206,590
TOTAL	5,257,518	4,485,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	798,000	2,816,928
Electricity	-	-
Water & sewerage charges	-	-
Office rent		-
Communication, supplies and services	-	-
Domestic travel and subsistence	133,800	-
Printing, advertising and information supplies & services	580,500	-
Rentals of produced assets		-
Training expenses	1,831,600	1,287,221
Hospitality supplies and services	-	-
Other committee expenses	1,437,100	-
Committee allowance	2,649,450	6,295,852
Insurance costs		-
Specialized materials and services		-
Office and general supplies and services	-	-
Fuel , oil & lubricants	233,267	-
Other operating expenses	-	1,082,950
Bank service commission and charges	309,308	-
Other Operating Expenses	-	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	80,792	-
Routine maintenance- other assets	218,300	-
TOTAL	8,272,117	11,482,951

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	67,739,640	57,811,166
Transfers to Secondary Schools	46,115,590	29,285,000
Transfers to Tertiary Institutions	14,067,545	1,650,000
TOTAL	127,922,775	88,746,166

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary (see attached list)	3,685,000	17,846,000
Bursary -Tertiary (see attached list)	2,088,000	5,000,000
Bursary- Special Schools	-	4,316,000
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security Projects (see attached list)	8,916,160	6,628,027
Sports Projects (see attached list)	2,075,208	1,163,601
Environment Projects (see attached list)	3,790,000	3,060,000
Emergency Projects (see attached list)	7,702,500	7,090,141
TOTAL	28,256,868	45,103,769

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2020 - 2021	2019 - 2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	6,304,000
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and General Equipment	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	0	6,304,000

9. OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	KSH	KSH
Strategic Plan	-	2,625,000
ICT Hubs	-	-
		-
TOTAL	-	2,625,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2020 - 2021	2019 - 2020
Closing cash book bank balance		Kshs (30/6/2021)	Kshs (30/6/2020)
<i>Cooperative Bank, Yala Branch . Gem NG-CDF</i>	<i>A/C no.1146215614</i>	5,823,141	6,184,695
<i>Cooperative Bank, Yala Branch . Gem NG-CDF (Gratuity deposits)</i>	<i>A/C no.1146215614</i>	783,928	-
		-	-
TOTAL		6,607,069	6,184,695

12 B Gratuity		
Description	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity earned during the year (B)	783,928	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	783,928	-

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13 BALANCES BROUGHT FORWARD		
	2020- 2021	2019- 2020
Opening cash book bank balance	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	6,184,695	42,191,065
Cash in hand		
Imprest		
TOTAL	6,184,695	42,191,065

16. CHANGES IN ACCOUNTS PAYABLE - GRATUITY		
	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	2,363 ,331	-
Deposits and Retention held during the year (B)	783,9 28	-
Deposits and Retention paid during the year ©	2,363 ,331	-
Closing accounts payable at 30th June (D=A+B-C)	783,9 28	-
Change in Accounts Payable	783,9 28	

17.2: PENDING STAFF PAYABLES (See Annex 2)		
	2020- 2021	2019- 2020
	Kshs	Kshs
NGCDF Staff	783,928	-
Others (specify)	-	-

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17.3: UNUTILISED FUNDS (See Annex 3)		
	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation of employees	1,741,036	1,445,681
Use of goods and services	651,764	1,400,887
Amounts due to other Government entities (see attached list)	-	41,144,320
Amounts due to other grants and other transfers (see attached list)	37,536,460	29,614,726
Acquisition of assets	10,453,119	10,453,119
Others (<i>specify</i>)	449,640	449,640
Funds pending approval	480,000	-
	51,312,019	84,508,373

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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Sub-Total								
Grand Total								

**ANNEX 2 - ANALYSIS OF PENDING STAFF
PAYABLES**

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

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ANNEX 3 - UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		1,785,421	1,445,681.00	
Use of goods & services		9478	1,400,887.00	
Amounts due to other Government entities		22,926,901	41,144,920.00	
Alour Girls Pri Bording	Renovation of 3 classrooms	900,000		
Mulare Pri	Completion of 2 classrooms	400,000		
Ujimbe Pri	Renovation of 2 classrooms	600,000		
Asaji Pri	Completion of 1 classroom	200,000		
Nyagondo Pri	Renovation of 3 classrooms	900,000		
Ndiru Pri	Renovation of 2 classrooms	900,000		
St Annes Mareyo	Completion of 2 classrooms	500,000		
Ndori Pri	Renovation of 3 classrooms	900,000		
Pala Valey	Construction of 1 classroom	1,100,000		
Wagai sec.	Purchase of land	750,000		
Kaudha Sec.	Completion of laboratory	1,000,000		
St Cecilia Aluor	Completion of a dormitory	2,135,292		
Secondary School	Renovation of 1 classroom	300,000		
Nyangulu sec.	Completion of a library	1,100,000		
Nyalunya Sec.	Construction of one classroom	1,100,000		
Nyangulu Sec	Burchase of school bus	7,141,609		
Rera KMTC	Completion of admin. block.	500,000		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-			-
Buildings and structures	5,653,100			5,653,100
Transport equipment	7,737,095.00			7,737,095.00
Office equipment, furniture and fittings	297,824			297,824
ICT Equipment, Software and Other ICT Assets	310,000			310,000
Other Machinery and Equipment				
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	13,998,019			13,998,019

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Maungo Primary school	Equity Luanda	1120279468241	17,721	351
Nyagondo Primary	Equity Luanda	1120277345753	9,330	930
Kagilo Primary School	Equity Luanda	1120277585372	99,982	870
Nyabeda AP Camp	Equity Luanda	1120277738659	2,850	99,820
Uthanya Secondary School	Equity Luanda	1120277396264	21,257	6,257
Kanyadet Primary school	Equity Luanda	1120280050957	628	-
Dienya Primary	Equity Luanda	1120277344858	1,292	305
Gem NG-CDF Sports PMC	Equity Luanda	1120277537532	1,858	1,854
Ginga Valley Primary	Equity Luanda	1120277344514	291,050	1,285
Malele Primary	Equity Luanda	1120277585348	865	285
Sagam Primary	Equity Luanda	1120277366290	1,215	1,215
Uranga Mixed Sec.	Equity Luanda	1120277359045	635	635
Dienya Mixed Sec	Equity Luanda	1120277342545	41,235	3,527
Wambusa Primary	Equity Luanda	1120277585389	18,891	265
Kotoo Primary	Equity Luanda	1120277347217	20,522	265
Bar-Sauri Primary	Equity Luanda	1120279143485	2,227	-
Mutumbu Primay School	Co-operative Yala	01141517725400	201,232	22,847
Mwadi Primary School	Co-operative Yala	01141517994400	528	528
Siriwo Primary school	Co-operative Yala	01141257520700	71,061	60.75
Uganga Primary School	Co-operative Yala	01141517913200	213,217	1,063
Migosi Primary	Co-operative Yala	0114174454800	1,545	78,000
Kojuok Primary	Co-operative Yala	01141740452600	189,345	1,485

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PMC	Bank	Account number	Bank Balance	Bank Balance
Gongo Primary	Co-operative Yala	01141256395100	72,378	373
Nyabeda Primary School	Co-operative Yala	1141256463100	3,683	1,683
Maliera Primary school	Co-operative Yala	1141740146400	666,006	-
Ndegwe Primary	Co-operative Yala	1141256402600	33,860	33,860
Malanga Primary	Co-operative Yala	1141740442000	29,911	2,205
Ndere AP Camp	Co-operative Yala	1141740500100	99,275	99,275
Sawagongo AP Camp	Co-operative Yala	1141740474400	325	325
Got Kokwiri Primary	Co-operative Yala	1141740066900	2,010	2,204
Ligoma Primary	Co-operative Yala	1141517813500	67	113
Nyawara Primary	Co-operative Yala	1141740104500	585,605	4,564
Onding Primary	Equity Luanda	1120279174021	1,538	-
Nyasidhi Primary	Equity Luanda	1120279058561	121,260	-
Yala Township sec.	Equity Luanda	1120279074985	835,00	-
Wagai West Ass. Chief	Equity Luanda	1120279076432	18,760	-
Nyangulu Mixed	Equity Luanda	1120279063818	39,017	-
Bar-Sauri Mixed Sec.	Equity Luanda	1120279170465	33,290	-
Nyangulu Primary	Equity Luanda	1120279063818	39,017	-
J.M Obidha Primary	Equity Luanda	1120279170465	33,290	-
Kaumeri Primary	Equity Luanda	1120278837137	1,000	1,000
Ndiru Primary	Equity Luanda	1120278851798	404,703	517,866
Ulamba Ass. Chief	Equity Luanda	1120279063437	849	-
Ming'awo Primary	Equity Luanda	1120279064126	19,760	-
Mundoware primary	Equity Luanda	1120279101947	1,640	-
Odondo Primary	Equity Luanda	1120279075798	35,213	-
Chief's Office East Gem	Equity Luanda	1120279142842	1,760	-

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PMC	Bank	Account number	Bank Balance	
			Bank Balance	Bank Balance
Oseno Primary	Equity Luanda	1120278863471	2,053	150,000
Olongo Primary	Equity Luanda	1120279170588	2,000	-
Kayieye Primary	Equity Luanda	1120277558909	3,165	1,820
Mutumbu Girls Secondary	Equity Luanda	1120277679937	703	544,340
Ojwach Primary	Equity Luanda	1120277538018	234,00.00	129,640
Ramula Primary	Equity Luanda	1120277559139	1,590	1,320
Kaudha Primary	Equity Luanda	1120277585418	39,350	39,350
Usweda Primary	Co-operative Yala	1141740213700	51,083	9,416
Ulamba Primary	Co-operative Yala	1141517989400		
Musembe Primary	Co-operative Yala	11417-0060500	639,891	39,890
Nyapiedho Primary	Co-operative Yala	1141517985500	350	-
Ulumbi Resource Center	Co-operative Yala	1134517588800	4,875	29,700
Pala Valley Primary	Co-operative Yala	1141257527400	7,316	-
Marenyo Primary	Co-operative Yala	114157698000	1,313	-
St Teresas Yala	Co-operative Yala	1141740687700	648,975	-
Sirandu Primary	Co-operative Yala	1141517735300	2,843	295
Ramula Primary	Equity Luanda	1120279466218		-
South Gem Chief's camp	Equity Luanda	1120279512114	1,153	-
Maliera Boys Secondary school	Equity Luanda	1120297481800	21,877	-
Rera KMTC	Equity Luanda	1120279359201	355,912	3,000
Komuok Chiefs Camp	Equity Siaya	920279170623	359,180	-
Yala Police Station	Equity Luanda	1120279246729	2,139	-
Siriwo Assistant Chief's office	Equity Luanda	1120279285371	35,816	-

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PMC	Bank	Account number	Bank Balance	Bank Balance
St. Bonface Aluor Mixed Secondary School	Equity Luanda	1120280088997	6,880	-
Uranga Primary school	KCB Luanda	1121946127	8,077	-
Mulare primary school	KCB Luanda	1137340525	34,381	23,500
St. Cecilia Aluor Girls	KCB Luanda	1127493531	2,613,800	1,235,001
Dhene secondary school	KCB Luanda	1111958076	43,806	-
Horace Ongili secondary school	KCB Luanda	1111442932	20,489	-
Total			8,361,720	3,092,587.75

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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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1 Transfers to Primary Schools	The statements reflect Kshs 22,956,724 under note 6 as being transfers to Primary Schools. However, payment schedules availed for audit review reflected Kshs 23,556,724 leading to unexplained variance of Kshs 600,000.	The payment schedules availed for audit for Primary School projects would have indicated an excess of Ksh. 600,000 meant for Mutumbu secondary but had been written Primary in the codelist. This was realized by NG-CDF Gem and a re-allocation of the said amount was sought for the amount to go to the rightfully intended institution. It was approved	FAM	RESOLVED	25/04/2020

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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)
		and the money paid to Mutumbu Secondary School (see reallocation approval attached).			
1.2 Misclassification of Expenditure	Examination of payment vouchers for utilities, supplies and services for the year under review revealed that the management included committee expenses of Kshs. 1,021,500 as part of utilities, supplies and services expenditure thereby overstating utilities expenditure by the same amount	The overstatement in relation to utilities, supplies and services was noted and corrected as is seen in the revised financial statement annexed. The new figure for utilities is Ksh. 690,466	FAM	RESOLVED	25/04/2020
1.0 Statement of Appropriation	The statement of appropriation recurrent and development for budget and actual amount reflects Kshs. 167,707,033 as final budget	The said amount of Ksh. 58,666,157 includes Ksh. 1,740,837, Balance brought forward on 1 st July 2018 and	FAM	RESOLVED	25/04/2020

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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)
	for receipts. In the year under review, the Fund received Kshs/. 102,034,483 resulting in an adjustment of Kshs. 58,666,157 which has not been explained. Consequently, the accuracy of the statement of appropriation cannot be confirmed as correct.	Ksh.56,925320, an amount that had not been received from the NG-CDF Board as at 30 th June 2018 as per the code-list. This money was later received and utilized in the subsequent financial year. The same has been explained in the corrected financial statement.			
2.0 Cash and Cash Equivalents	A review of the bank reconciliation statement as at 30 June 2019 revealed that cheques totaling to Kshs. 693,703.00 (under un-presented cheques) were stale as shown in the table below. The stale	It is true that the cheques mentioned were held in the books as un-presented even though some were stale as at the end of June 2018. This was caused by delayed	FAM	RESOLVED	25/04/2021

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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)
	cheques were not replaced thereby leading to incorrect cash and cash equivalents balance.	reconciliations caused by the high turnover of staff at both NG-CDF office and Gem Treasury office. This was corrected immediately the next financial year began. All the stale cheques are now reversed and reconciliation done on monthly basis (see the attached current reconciliation.)			
5.0 Irregular Purchase of Fuel	In the year under review, the management paid Kshs. 147,500 to a local Company through cheque No. 7166 and 7393 on 10 August, 2018 and 7 February, 2019	It is very true that the Gem NG-CDF drew fuel from Ondisore filling station. The supplier is one of the companies which were	FAM	RESOLVED	25/04/2020