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REPORT

THE NATIONAL ASSEMBLY	
DATE: 08 MAR 2023	DAY: Wednesday
TABLED BY:	Hon. Owen Baya, CBS, MP Deputy Majority Leader
CLERK-AT THE TABLE:	Miriam modo

THE AUDITOR-GENERAL

ON

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

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

Revised Template 30th June 2021



NYANDO CONSTITUENCY

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
FUND**

REPORTS AND FINANCIAL STATEMENTS

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

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



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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund

-
3. **Timeliness** – we adhere to prompt delivery of service
 4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
 5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

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

(b) Key Management

The Nyando 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	Alfred Chisaina
2.	Sub-County Accountant	Cynthia Leting
3.	Chairman NG-CDFC	Joseph Odada
4.	Member NG-CDFC	Kenneth Ogallo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 85-40101
Nyando NGCDF office
Off Kisumu-Nairobi Road
Ahero, KENYA

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(f) Nyando Constituency NGCDF Contacts

Telephone: (254) 721586575
E-mail: cdfnyando@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Nyando Constituency NGCDF Bankers

Cooperative Bank
Kisumu
P.O. Box
Kisumu

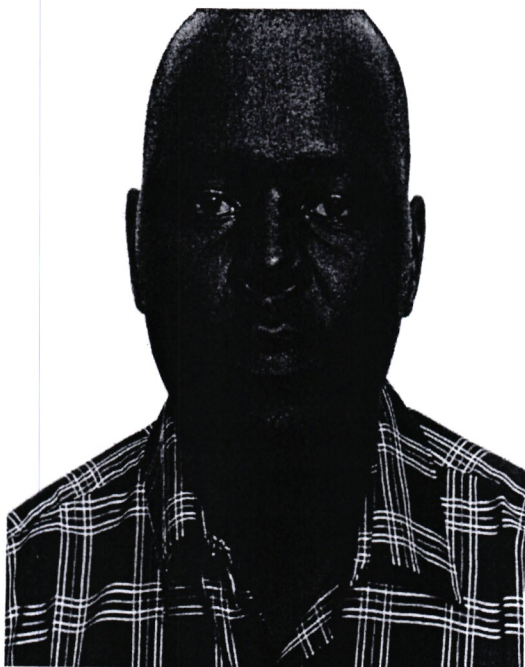
(h) Independent Auditors

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



Joseph Rocky Odada

Chairman Nyando NGCDFC

The NG-CDFC wishes to have in summary the budget performance against actual amounts for the current financial year based on economic classification and programmes. The NG-CDFC have improved in their budget performance despite the challenges encountered during the year following the COVID 19 pandemic that hit the country and the whole world as well. The performance in all the sectors i.e. Education, Security, Bursary and other projects implemented as per the Act achieved a desirable percentage in terms of utilization.

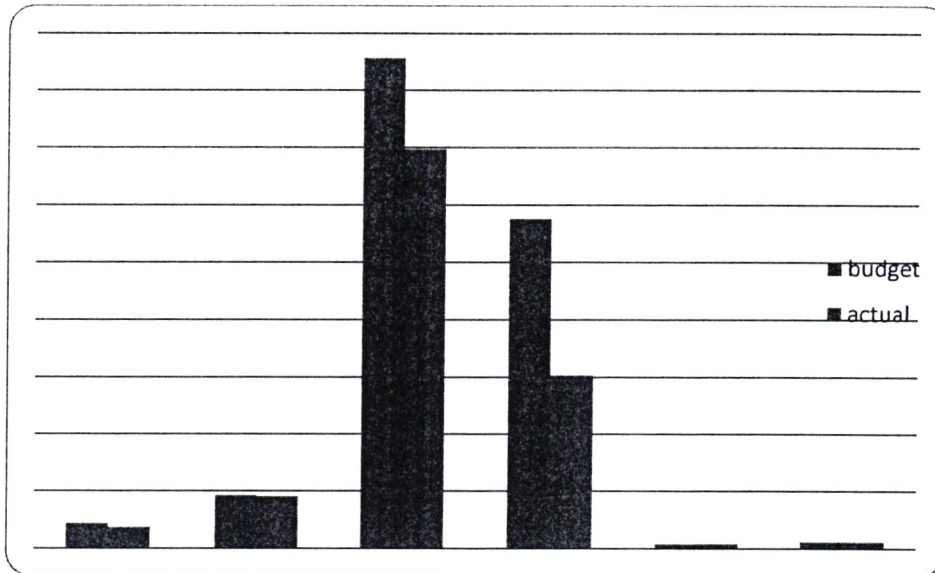
During the financial year under review, the Nyando NG-CDFC received a total of Kshs 128,040,845 from the NG-CDF Board. Of the total allocation of 137,088,879.31, Kshs. 35,367,724 formed part of the previous financial years' balances formerly owed by the NG-CDF Board.

However, the NG-CDFC managed to implement a number of key projects as per the proposal including disbursement of Bursary funds to needy students in various institutions, construction of chiefs' offices and also construction of classrooms in various institutions. By closure of the financial year, the NG-CDFC had remained with a balance of 14,683,123..

The Nyando NG-CDFC's disbursement of funds was purely guided by the budget proposal and the approved codelists attached to AIEs as sent to us from time to time. The entire proposal for the Nyando NG-CDFC could be broadly classified as follows;

1. Compensation of Employees
2. Use of goods and services
3. Transfers to Other Government Units
4. Other grants and transfers
5. Acquisition of Assets
6. Other Payments

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Below is a list of sampled projects funded during the financial year 2020/2021.



Katolo Secondary School Two Classrooms

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Ombaka Secondary School Two Classrooms

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals and reallocations.

Finally, the Nyando NG-CDF Committee wish to thank the NG CDF Board and all other stake holders who have made it easy for them to be able to deliver services to the constituents of Nyando within the precincts of the NG-CDF Act, 2015.

Signature

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of Nyando Constituency 2018-2023 plan are to:
In underscoring the above, the key development objectives of NGCDFC-Nyando Constituency's 2018-2023 plan included but not limited to;

Strategic Area One: Education

Objective: Become a national model for education by improving schools' infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance schools' infrastructure to enhance facilities and provide conducive learning environment for children.

Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two: Water and Environment

Objective: Improve access to clean water and a more sustainable and conserved environment in Nyando through natural resources conservation initiatives

Initiative: Initiate and enhance conservation programs within the constituency

Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

Strategic Area Three: Security

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and service delivery

Strategic Area Four: Sports

Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports.

Strategic Area Five: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology by Nyando residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic

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and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	Number of classrooms increased 10 Number of laboratories increased from 10 to 14 Number of dormitories increased from 5 to 7
Water and Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Drill boreholes to promote access to clean and safe water Equip schools and public facilities with sanitation facilities Provide tree seedlings to schools to improve the forest cover	Number of boreholes drilled Number of sanitation facilities built in primary and secondary Number of trees planted	Number of sanitation facilities increased from 34 to 40 Number of trees planted in schools increased from 0 to 20
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of chiefs' offices constructed 4

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Constituency Program	Objective	Outcome	Indicator	Performance
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme 53
Information Communication and Technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery	Equip chiefs' offices with computers and internet connectivity to enable them improve service delivery	Number of usable chiefs' offices with computers and internet connectivity	Number of ICT centres 1

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Nyando 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 Nyando NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. Education and Training:** Nyando NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental Performance

- NG-CDF supported planting of trees in 10 primary schools and for sustainability purposes the pupils were sensitized on how to adopt and nurture a tree
- NG-CDF supported two schools in rain water harvesting and conversation to help alleviate perennial water shortage in the respective schools
- NG-CDF sponsored sporting activities/ tournament during the financial year through purchase of sports uniforms and equipment to 12 teams with the aim of bringing communities and sensitizing them on environmental conservation matters.

3. Employee Welfare

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

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Public Participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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. Nyando NG-CDF have 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.

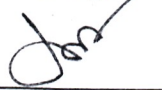
The Accounting Officer in charge of the NGCDF-Nyando Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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-Nyando 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-Nyando 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.

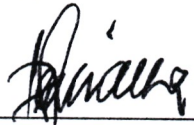
The Accounting Officer in charge of the NGCDF Nyando Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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 Nyando Constituency financial statements were approved and signed by the Accounting Officer on 19/7 2021.



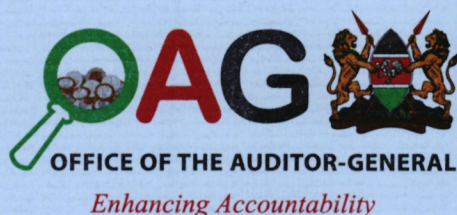
Chairman NGCDF Committee
Name: Joseph Odada



Fund Account Manager
Name: Alfred Chisaina

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NYANDO 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 - Nyando Constituency set out on pages 16 to 48, 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 summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unconfirmed Receipts

The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board balance of Kshs.128,040,845 as disclosed in Note 1 to the financial statements. However, the amount includes reversed cheques totalling Kshs.673,121 which were treated as receipts.

In the circumstances, the accuracy and completeness of the transfers from other Government entities could not be confirmed.

2. Unsupported for Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.14,683,122 as disclosed in Note 9A to the financial statements. However, the bank reconciliation statements were not provided for audit.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.14,683,122 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 - Nyando 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 budgeted receipts of Kshs.174,641,444 and actual receipts of Kshs.129,552,566 resulting in budget shortfall of Kshs.45,088,879 or 26% of the approved budget. Similarly, the statement reflects final budgeted payments of Kshs.174,641,444 and actual payments of Kshs.114,675,477 resulting in net under expenditure of Kshs.59,965,967 or 34% of the budget.

In the circumstances, the underfunding and the 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. Irregular Procurement of Use of Goods and Services

The statement of receipts and payments reflects use goods and services amount of Kshs.9,061,146 as disclosed in Note 4 to the financial statements. However, audit inspection revealed that the procurement of assorted goods and services amounting to Kshs.5,611,950 was not supported with National Government Constituencies Development Fund committee minutes, inspection and acceptance reports, receipts and issue vouchers/notes and the goods were not taken on charge.

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

2. Project not Implemented According to Contract Agreement

The statement of receipts and payments reflects transfers to other Government entities amount of Kshs.69,695,221 as disclosed in Note 6 to the financial statements. Review of project files and audit verification carried out in March, 2022 revealed that an amount of Kshs.4,600,000 was paid for construction of and rehabilitation of classrooms in four (4) schools. However, though the work was complete it was not done as per the specifications in the Bills of Quantities.

In the circumstances, value for money may not have been realized.

3. Poorly Implemented Projects

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.69,695,221 as disclosed in Note 5 to the financial statements which

includes an amount of Kshs.6,000,000 disbursed to five (5) schools. Audit verification revealed that works in the five (5) schools was poorly executed as cracks were visible on the walls, external walls finish and paint works was also poorly done.

In the circumstances, value for money may not have been realized.

4. Payment for Incomplete Works

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.69,695,221 as disclosed in Note 5 to the financial statements. Physical verification of the Constituency Development Fund office and four classrooms revealed that payments totalling Kshs.1,320,000 were made though the work was incomplete and poorly carried out.

In the circumstances, it could not be confirmed if the Fund received value for money for the works carried out.

5. Delay in Implementation of ICT Hub Project

The statement of receipts and payments reflects an amount of Kshs.1,149,097 for other payments and as disclosed in Note 8 to the financial statements. The expenditure was in respect to an ICT Hub, to be set up within the Constituency which included installation of satellite antenna, router, digital access kit, digital tablets, Wi-fi with outdoor wireless device complete with 12U cabinet and other accessories.

Review of payment documents revealed that an amount of Kshs.1,149,097 paid in January, 2021 was based on an agreement between the Ministry of ICT and service provider dated 30 September, 2020. However, during audit inspection in March, 2022 the project was yet to commence and no explanation was provided for the delay.

In the circumstances, there was no value for the Kshs.1,149,097 spent on a project which has not been implemented.

6. Un-Supported Project Implementation Process

The statement of receipts and payments reflects a total of Kshs.69,695,221 as transfers to other Government entities and as disclosed in Note 5 to the financial statements. Twelve (12) project files for projects worth Kshs.23,100,000 were sampled for audit review. The review revealed that, the files lacked vital project documentations which included valuation minutes, contracts, local service orders, and payment evidence contrary to Section 36 of the National Government Constituencies Development Fund Act, 2015 states that the officer of the Board in every Constituency shall compile and maintain a record showing all receipts, disbursements, and actual expenditures on a monthly basis in respect of every project and sub-project.

In the circumstances, it was not possible to confirm whether due process was followed in the implementation of these projects.

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

Lack of Internal Audit Review

During the audit it was noted that no internal audit reviews were performed on the Fund's internal processes and no risk assessment was carried out to identify and address key areas of concern and document specific controls in response to identified risks contrary to Regulation 160(1)(b) of the Public Financial Management (National Government) Regulations, 2015 which states that the internal audit function has a duty to give reasonable assurance through the audit committee on the state of risk management, control, and governance within the organization.

In the absence of internal audit reviews, it was not possible to confirm the effectiveness of internal controls, risk management and governance of the Fund.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the 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 financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 policies and procedures may deteriorate.

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

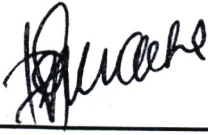
30 September, 2022

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


VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020 – 2021	2019 – 2020 Restated
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	128,040,845	102,000,000
Other Receipts	2	=	<u>50,000.00</u>
TOTAL RECEIPTS		128,040,845	102,050,000
PAYMENTS			
Compensation of employees	3	3,691,113	2,063,407
Use of goods and services	4	9,061,146	14,176,205
Transfers to Other Government Units	5	69,695,221	55,703,763
Other grants and transfers	6	30,280,900	47,051,817
Acquisition of Assets	7	798,000	6,163,379
Other Payments	8	<u>1,149,097</u>	=
TOTAL PAYMENTS		114,675,477	125,108,571
SURPLUS/(DEFICIT)		<u>13,365,368</u>	<u>(23,058,571)</u>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nyando Constituency financial statements were approved on 19/21 2021 and signed by:



Fund Account Manager
Name: Alfred Chisaina



National Sub-County
Accountant
Name: Cynthia Leting
ICPAK M/No:



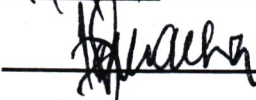
Chairman NG-CDF
Committee
Name: Joseph Odada

Nyando Constituency
National Government Constituencies Development Fund (NGCDF)
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VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

	Note	2021-2020	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9A	14,683,122	1,511,720
Cash Balances (cash at hand)	9B	0	0
Total Cash and Cash Equivalents		14,683,122	1,511,720
TOTAL FINANCIAL ASSETS		14,683,122	1,511,720
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	11	0	193,966
TOTAL FINANCIAL LIABILITIES		0	0
NET FINANCIAL ASSETS		14,683,122	1,317,754
REPRESENTED BY			
Fund balance b/fwd		1,317,754	23,590,486
Prior year adjustments	12	0	785,839
Surplus/Deficit for the year		13,365,368	(23,058,571)
NET FINANCIAL POSITION		14,683,122	1,317,754.00

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


Fund Account Manager

Name: Alfred Chisaina


National Sub-County
Accountant

Name: Cynthia Leting
ICPAK M/No:


Chairman NG-CDF
Committee

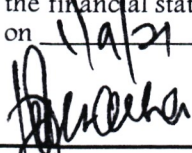
Name: Joseph Odada

Nyando Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. STATEMENT OF CASHFLOW

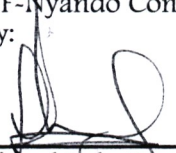
		2020 - 2021	2019 - 2020 Restated
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	128,040,845	102,000,000
Other Receipts	2	0	50,000
Total receipts		128,040,845	102,050,000
Payments for operating activities			
Compensation of Employees	3	3,691,113	2,063,407
Use of goods and services	4	9,061,146	14,126,205
Transfers to Other Government Units	5	69,695,221	55,703,763
Other grants and transfers	6	30,280,900	47,051,817
Other Payments	8	1,149,097	0
Total payments		113,877,477	118,945,192
Adjusted for:			
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	11	0	193,966
Prior year adjustments	12	0	785,839
Net Adjustments		(193,966)	979,805
Net cash flow from operating activities		13,969,402	(15,915,387)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(798,000)	(6,163,379)
Net cash flows from Investing Activities		(798,000)	6,163,379.
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	9	1,511,720	23,590,486.
Cash and cash equivalent at END of the year		<u>14,683,123</u>	<u>1,511,720</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nyando Constituency financial statements were approved on 11/1/21 2021 and signed by:




Fund Account Manager

Name: Alfred Chisaina
ICPAK M/No:



National Sub-County
Accountant

Name: Cynthia Leting



Chairman NG-CDF
Committee

Name: Joseph Odada

Nyando Constituency
National Government Constituencies Development Fund (NGCDF)
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X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	b		c=a+b	d	e=c-d	f=d/c %
	2020/2021	Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	137,088,879	1,511,720	36,040,845	174,641,444	129,552,566	45,088,879	74.2%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
TOTAL RECEIPTS	137,088,879	1,511,720	36,040,845	174,641,444	129,552,566	45,088,879	74.2%
PAYMENTS							
Compensation of Employees	3,488,269	916,902	3,048,458	7,453,629	3,691,113	3,762,516	49.5%
Use of goods and services	8,849,729	594,818	881,889	10,326,436	9,061,146	1,265,290	87.7%
Transfers to Other Government Units	66,200,000	-	19,395,221	87,964,364	69,695,221	15,900,000	81.4%
Other grants and transfers	52,750,881	-	11,359,911	64,110,792	30,280,900	33,829,892	47.2%
Acquisition of Assets	5,800,000	-	86,621	5,886,621	798,000	5,088,621	13.6%
Other Payments	-	-	1,268,745	1,268,745	1,149,097	119,648	90.6%
Funds pending approval**	-	-	-	-	-	-	-
TOTALS	137,088,879	1,511,720	36,040,845	174,641,444	114,675,477	59,965,967	65.7%

*Nyando Constituency
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	59,965,967
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	14,877,088
Add Accounts payable	(193,966.)
Less Accounts Receivable	-
Add/ Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	14,683,122

The NGCDF-Nyando Constituency financial statements were approved on 11th 2021 and signed by:




Fund Account Manager

Name: Alfred Chisaina



National Sub-County Accountant

**Name: Cynthia Leting
ICPAK M/No:**



Chairman NG-CDF Committee

Name: Joseph Odada

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

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual oncomparable basis 30/06/2021	Budget utilization difference	% of Utilisation (f=d/c)
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	2020/2021	30/06/2021			
	Kshs			Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent									
1.1 Compensation of employees	3,488,269	916,902	3,048,458	7,453,629	3,691,112	3,762,517	50		
1.2 Committee allowances	2,000,000		-	2,000,000	1,452,700	547,300	73		
1.3 Use of goods and services	2,737,263	594,818	881,889	4,213,771	3,057,366	1,156,405	73		
TOTAL	8,225,332	1,511,720	3,930,347	13,667,400	8,201,178	5,466,222			
2.0 Monitoring and evaluation									
2.1 Capacity building	1,915,947		-	1,915,947	1,471,530		77		
2.2 Committee allowances	1,933,858		1,225,000	3,158,858	3,079,550		97		
2.3 Use of goods and services	262,861		10,000	272,861	-		-		
TOTAL	4,112,666		1,235,000	5,347,666	4,551,080	796,555	85		
3.0 Emergency			1,600,000	8,792,207					
BUNGU KORAGA PRI					350,000	-350,000			
WA WIDHI GIRLS SEC					1,200,000	-1,200,000			
PACYN INVESTMENTS					977,500	-977,500			
JUANSA LTD					800,000	-800,000			

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual oncomparable basis	Budget utilization difference	% of Utilisation (f=d/c)
FAM NYANDO				100,000	-100,000	
FAM NYANDO				220,000	-220,000	
PACYN INVESTMENTS				638,000	-638,000	
KATOLO SECONDARY				1,000,000	-1,000,000	
PACYN INVESTMENTS				336,400	-336,400	
FRATRAM INVESTMENTS				464,000	-464,000	
BWANDA PRIMARY				300,000	-300,000	
KATOLO SECONDARY				1,000,000	-1,000,000	
BONDO KACHOLA PRIMARY				150,000	-150,000	
NYAKONGO PRIMARY				150,000	-150,000	
WANG'ANG'A PRIMARY				150,000	-150,000	
LUNAR SOLUTIONS				325,000	-325,000	
TRILAD ENTERPRISES				225,000	-225,000	
WANG'ANG'A PRIMARY				100,000	-100,000	
ST. CAMULUS OGWEDHI				100,000	-100,000	
TOTAL	7,192,207	1,600,000	8,792,207	8,585,900	206,307	
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	25,000,000	-	25,000,000	1,272,720	23,727,280	4
4.3 Tertiary Institutions	12,000,000	4,246,127	16,246,127	8,888,100	7,358,027	40
4.4 Universities						
4.5 Social Security						
TOTAL	37,000,000	4,246,127	41,246,127	10,160,820	31,085,307	19

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual oncomparable basis	Budget utilization difference	% of Utilisation (f=d/c)
5.0 Sports						
5.1	2,158,674	2,484,150	4,642,824	2,484,150	4,642,824	
TOTAL	2,158,674	2,484,150	4,642,824	2,484,150	2,158,674	54
6.0 Environment						
Apondo Primary	300,000		300,000	300,000		100
Nyamkebe Primary	300,000		300,000	300,000		100
Karombe Primary	300,000		300,000	300,000		100
Mbega Primary	300,000		300,000	300,000		100
Kanyipola Primary	300,000		300,000	300,000		100
Boya Police Station	300,000		300,000	300,000		100
Disi Secondary		300,000	300,000	300,000		100
HongoOgosa Primary		400,000	400,000	400,000		100
Nyomwaro Primary		300,000	300,000	300,000		100
Ombaka Primary		300,000	300,000	300,000		100
SianyKabonyo Primary		300,000	300,000	300,000		100
Wang'ang'a Primary		300,000	300,000	300,000		100
TOTAL	1,800,000	1,900,000	3,700,000	3,700,000		
7.0 Primary Schools Projects						
BUNDE PRIMARY	400,000	2,000,000	2,400,000	2,400,000		100
BWANDA PRIMARY	-	1,000,000	1,000,000	1,000,000		100
HONGO OGOSA PRIMARY	-	600,000	600,000	600,000		100
KOWUOR MIXED SECONDARY		2,000,000	2,000,000	2,000,000		100
AWASI PRIMARY		600,000	600,000	600,000		100
NYACHODA PRIMARY		600,000	600,000	600,000		100

Nyando Constituency
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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual oncomparable basis	Budget utilization difference	% of Utilisation (f=d/c)
APONDO PRIMARY		1,000,000	1,000,000	1,000,000		100
MASOGO PRIMARY		400,000	400,000	400,000		100
OGENYA PRIMARY		600,000	600,000	600,000		100
UGWE PRIMARY		410,000	410,000	410,000		100
KIBARWA PRIMARY	300,000		300,000	300,000		100
KOSIDA PRIMARY	300,000		300,000	300,000		100
KARANDA PRIMARY	300,000		300,000	300,000		100
OKANJA PRIMARY	300,000		300,000	300,000		100
KARANDA PRIMARY	600,000		600,000	600,000		100
ONERA PRIMARY	600,000		600,000	600,000		100
ANGORO PRIMARY	600,000		600,000	600,000		100
KOLUNGA PRIMARY	300,000		300,000	300,000		100
KAMUNDA PRIMARY	400,000		400,000	400,000		100
BUNGU KORAGA PRIMARY	400,000		400,000	400,000		100
KOWALA PRIMARY	400,000		400,000	400,000		100
MIGINGO PRIMARY	600,000		600,000	600,000		100
RANJIRA PRIMARY	600,000		600,000	600,000		100
NDURU PRIMARY	400,000		400,000	400,000		100
MAO PRIMARY	400,000		400,000	400,000		100
MAO PRIMARY	600,000		600,000	600,000		100
KOLAL PRIMARY	600,000		600,000	600,000		100
AYWEYO LUORA PRIMARY	600,000		600,000	600,000		100
HOLO ORUCHO PRIMARY	400,000		400,000	400,000		100
SARE PRIMARY	600,000		600,000	600,000		100
NYACHODA PRIMARY	400,000		400,000	400,000		100

*Nyando Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual oncomparable basis	Budget utilization difference	% of Utilisation (f=d/c)
ALENDU PRIMARY	600,000		600,000	600,000		100
KARANDA PRIMARY	1,000,000		1,000,000	1,000,000		100
KAGIMBA PRIMARY	400,000		400,000	400,000		100
KAROMBE PRIMARY	400,000		400,000	400,000		100
KOBURA PRIMARY	300,000		300,000	300,000		100
KOWUOR PRIMARY	300,000		300,000	300,000		100
NYAMRUNDU PRIMARY	400,000		400,000	400,000		100
OGWEDHI PAG PRIMARY	400,000		400,000	400,000		100
OJIENDA PRIMARY	400,000		400,000	400,000		100
OSETH PRIMARY	300,000		300,000	300,000		100
RABUOR PRIMARY	300,000		300,000	300,000		100
RONGO PRIMARY	400,000		400,000	400,000		100
ST. ANNE AHERO PRIMARY	400,000		400,000	400,000		100
ST. CHRISTOPHER AYWEYO PRIMARY	400,000		400,000	400,000		100
AROMBO PRIMARY	600,000		600,000	600,000		100
KAMUNDA PRIMARY	600,000		600,000	600,000		100
KASANGANY PRIMARY	600,000		600,000	600,000		100
KATOLO PRIMARY	600,000		600,000	600,000		100
KOBURA PRIMARY	600,000		600,000	600,000		100
KORWANA PRIMARY	600,000		600,000	600,000		100
LELA PRIMARY	600,000		600,000	600,000		100
NDURU PRIMARY	600,000		600,000	600,000		100
NYAKAKANA PRIMARY	600,000		600,000	600,000		100
NYAMWARE PRIMARY	600,000		600,000	600,000		100
ODIENYA PRIMARY	600,000		600,000	600,000		100

*Nyando Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual oncomparable basis	Budget utilization difference	% of Utilisation (f=a/c)
OGWEDHI PAG PRIMARY	600,000		600,000	600,000		100
ONGECHE PRIMARY	600,000		600,000	600,000		100
ONJIKO KOBONG'O PRIMARY	600,000		600,000	600,000		100
PALA PRIMARY	500,000		500,000	500,000		100
RABUOR PRIMARY	600,000		600,000	600,000		100
RERU PRIMARY	600,000		600,000	600,000		100
SIANY PRIMARY	600,000		600,000	600,000		100
UGWE PRIMARY	600,000		600,000	600,000		100
WARADHO PRIMARY	600,000		600,000	600,000		100
AYUCHA PRIMARY	1,000,000		1,000,000	1,000,000		100
NYOMWARO PRIMARY	1,000,000		1,000,000	1,000,000		100
OKIRO PRIMARY	1,000,000		1,000,000	1,000,000		100
OMBAKA PRIMARY	1,000,000		1,000,000	1,000,000		100
KOWALA PRIMARY	600,000		600,000	-	600,000	100
TOTAL	32,600,000	9,210,000	41,810,000	41,210,000	600,000	99
8.0 Secondary Schools Projects (List all the Projects)						
KANYAGWAL HIGH SCHOOL		485,221	485,221	485,221		100
OMBAKA SECONDARY SCHOOL		2,000,000	2,000,000	2,000,000		100
ONJIKO HIGH SCHOOL		600,000	600,000	600,000		100
MASOGO MIXED SECONDARY	-	7,100,000	7,100,000	7,100,000		100
AWASI PAG GIRLS SECONDARY	500,000		500,000	500,000		100
KOWUOR SECONDARY SCHOOL	2,500,000		2,500,000	1,500,000	1,000,000	60
WANG'ANG'A SECONDARY SCHOOL	2,500,000		2,500,000	1,500,000	1,000,000	60
WAWIDHI GIRLS SECONDARY	2,000,000		2,000,000	2,000,000		100

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual oncomparable basis	Budget utilization difference	% of Utilisation (f=d/c)
NYALENDA GIRLS SECONDARY	1,300,000		1,300,000	1,300,000		100
ST. PETERS KONIM MIXED SEC.	400,000		400,000	400,000		100
KOBURA GIRLS SECONDARY SCHOOL	600,000		600,000	600,000		100
MIGINGO GIRLS SECONDARY	2,000,000		2,000,000	2,000,000		100
NYALENDA GIRLS SECONDARY	2,700,000		2,700,000	1,500,000	1,200,000	56
NYALENDA GIRLS SECONDARY	7,100,000		7,100,000	-	7,100,000	
DISI MIXED SECONDARY	2,000,000		2,000,000	2,000,000	-	100
TOTAL	23,600,000	10,185,221	33,785,221	23,485,221	10,300,000	70
9.0 Tertiary institutions Projects (List all the Projects)						
NYANDO TECHNICAL AND VOCATIONAL COLLEGE	10,000,000		10,000,000	5,000,000	5,000,000	50
TOTAL	10,000,000		10,000,000	5,000,000	5,000,000	50
10.0 Security Projects						
KOCHOGO LOCATION CHIEF'S OFFICE	300,000		300,000	300,000		100
NYANDO DCC'S RESIDENCE	2,900,000	1,250,000	4,150,000	4,150,000		100
KATHO LOCATION CHIEF'S OFFICE	300,000	-	300,000	300,000		100
AHERO POLICE STATION	500,000		500,000	-	500,000	
ONJIKO LOCATION CHIEF'S OFFICE	300,000		300,000	300,000		100
WAWIDHI LOCATION CHIEF'S OFFICE	300,000		300,000	300,000		100
TOTAL	4,600,000	1,250,000	5,850,000	5,350,000	500,000	91
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office	800,000		800,000	798,000	2,000	100

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual oncomparable basis	Budget utilization difference	% of Utilisation (f=d/c)
11.3 Purchase of furniture and equipment			-	-	-	
11.4 Purchase of computers			-	-	-	
11.5 Purchase of land			-	-	-	
TOTAL	800,000		800,000	798,000	2,000	100
12.0 Others						
ICT HUB		1,149,097	1,149,097	1,149,097		100
TOTAL		1,149,097	1,149,097	1,149,097		100
13.0 Unallocated fund						
Unapproved Projects	5,000,000					
AIA						
PMC Savings						
TOTAL	5,000,000					
Funds pending approval**						
TOTAL	137,088,879	1,511,720	174,641,444	114,675,446	59,965,968	66

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of Payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash 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

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 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

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period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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

15. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	B041332		18,000,000
AIE NO	B041179		4,000,000
AIE NO	B047749		5,000,000
AIE NO	B104069		15,000,000
AIE NO	B104449		26,000,000
AIE NO	B096771		34,000,000
AIE NO	B096908	5,000,000	
AIE NO	B404666	19,000,000	
AIE NO	A823709	11,367,724	
AIE NO	Stale cheques reversed	108,621	
AIE NO	B124645	9,000,000	
AIE NO	B119615	8,500,000	
AIE NO	B128005	13,000,000	
AIE NO	B128246	6,900,000	
AIE NO	B132008	6,000,000	
AIE NO	B132302	6,000,000	
AIE NO	B138971	13,000,000	
AIE NO	B126263	7,000,000	
AIE NO	B105058	10,600,000	
AIE NO	B140702	12,000,000	
AIE NO	Stale cheque reversed	564,500	
TOTAL		128,040,845	102,000,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. OTHER INCOME

	2020-2021	2019-2020
	Kshs	Kshs
Other Income	0	50,000
Total	0	50,000

3. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,213,805	1,978,907
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,432,108	-
Employer Contributions Compulsory national social security schemes	45,200	84,500
Total	3,691,113	2,063,407

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4. USE OF GOODS AND SERVICES

	2020-2021	2019-2020 Restated
	Kshs	Kshs
Committee Expenses	3,079,550	4,819,400
Utilities, supplies and services	1,813,889	6,335,206
Electricity	20,000	
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,471,530	2,971,599
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	1,452,700	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	-
Fuel, Oil and Lubricants	700,000	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	523,477	-
Routine maintenance – other assets	-	-
	-	-
Total	9,061,146	14,126,205

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	41,210,000	28,744,000
Transfers to secondary schools (see attached list)	23,485,221	26,959,763
Transfers to tertiary institutions (see attached list)	5,000,000	-
TOTAL	69,695,221	55,703,763

6. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	1,272,750	25,580,000.00
Bursary – tertiary institutions (see attached list)	8,888,100	6,287,200.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	5,350,000	6,208,417
Sports projects (see attached list)	2,484,150	2,250,000
Environment projects (see attached list)	3,700,000	-
Emergency projects (see attached list)	8,585,900	6,726,200
Total	30,280,900	47,051,817

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7. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	798,000	6,163,379
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	798,000	6,163,379

8. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-0.00
ICT Hub	1,149,097	0.00
	1,149,097	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. CASH BOOK BANK BALANCE

9A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Co-operative Bank, Kisumu Branch. Nyando NG – CDF A/C Number 01120015436000	14,683,122	1,511,720
Total	14,683,122	1,511,720.00
9B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

10. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	129,310.00
Retention held during the year (B)	-	64,656.00
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	193,966.00

11. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	1,511,720	23,590,486.41
Cash in hand	-	-
Imprest	-	-

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Total	1,511,720	23,590,486.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PRIOR YEAR ADJUSTMENT

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	-	785,839
Total	1,511,720	23,590,486.00

13. PENDING STAFF PAYABLES (See Annex 1)

Description	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Staff Salaries	504,308	-
Total	504,308	-

14. UNUTILIZED FUND (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	3,762,516	3,048,458
Use of goods and services	1,265,290	881,889
Amounts due to other Government entities (see attached list)	18,269,143	21,764,364
Amounts due to other grants and other transfers (see attached list)	31,460,749	8,990,768
Acquisition of assets	5,088,621	86,621
Others (<i>specify</i>)	119,648	1,268,745
Funds pending approval		
	59,965,967	36,040,845

15. PMC ACCOUNT BALANCES (See Annex 4)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	4,305,163	9,160,274.21
	4,305,163	9,160,274.21

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XIV.ANNEX 1 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2021	Comments
NG-CDFC Staff				
Winnie Odera	Secretary		86,630	
Fredrick Okeyo	Accounts Assistant		105,881	
Willys Otieno Opon	Driver		64,170	
Perez Achieng	Field Officer		7,130	
Nicholas Omondi Maina	Grounds Man		29,946	
Agnes Akinyi Obote	Office Assistant		38,502	
Daniel Odhiambo Opon	Grounds Man		34,100	
Edith Keyoga Amuyunzu	Office Assistant		40,920	
Rose Akinyi Odhiambo	Office Assistant		27,900	
Rosemary Anyango Achola	Office Assistant		26,350	
Hellen Adhiambo Muga	Office Assistant		32,550	
Odiwuor Maddo Owino	Field officer		7,130	
Nicholas Otieno Nyabura	Grounds Man		3,100	
Sub-Total			504,308	
Grand Total				

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XV. ANNEX 2 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		3,762,516	4,815,359	
Use of goods & services		1,265,290	31,889	
Amounts due to other Government entities		18,269,143	22,114,869	
Kowala Primary School		600,000		
KOWUOR SECONDARY SCHOOL		1,000,000		
WANG'ANG'A SECONDARY SCHOOL		1,000,000		
NYALENDA GIRLS SECONDARY		1,200,000		
NYALENDA GIRLS SECONDARY		7,100,000		
NYANDO TECHNICAL AND VOCATIONAL COLLEGE		5,000,000		
Sub-Total		15,900,000	26,962,117	
Amounts due to other grants and other transfers		31,460,749	8,800,898	
4.0 Bursary and Social Security				
4.2 Secondary Schools		29,376,180		
4.3 Tertiary Institutions		13,144,348		
5.0 Sports		2,158,674		
Ahero Police Station		500,000		
Sub-Total		31,460,749	8,800,898.00	
Acquisition of assets		88,621	86,621	
Others (specify)				
Sub-Total		88,621	86,621	
Funds pending approval		5,000,000		Office car pending disposal of the old car
Grand Total		59,965,967	35,849,637	

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XVI.ANNEX 3 – 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	1,400,000	-	-	1,400,000
Buildings and structures	17,363,379	798,000	-	18,161,379
Transport equipment	4,166,850	-	-	4,166,850
Office equipment, furniture and fittings	1,407,355	-	-	1,407,355
ICT Equipment, Software and Other ICT Assets	613,945	-	-	613,945
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	24,951,529	798,000	-	25,749,529

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XVII. ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
OJIENDA PRIMARY SCHOOL	CO-OP BANK	01117015057303	1,205	
KALUORE PRIMARY	CO-OP BANK	01117013576503	1,290	
NYAKONGO PRIMARY SCH.	KCB BANK	1112947825	1,431	
KOROWE PRIMARY SCH.	NBK BANK	01224024212005	13	
KOSIDA PRIMARY SCH.	KCB BANK	1132678927	1,199	
NYALENDA GIRLS SEC. SCH.	KCB BANK	1136327428	1,501,376	
OKIRO PRIMARY SCH.	NBK BANK	01022024267700	1,001,499	
KOBURA GIRLS SEC. SCH.	NBK BANK	01025026052700	3,760	
KANYANGORO PRIMARY SCH.	NBK BANK	01224122822500	600,400	
ALENDU PRIMARY SCH.	KCB BANK	1146068476	2,180	
APONDO PRIMARY SCH.	NBK BANK	01022211736500	1,205	
MIGINGO PRIMARY SCH.	FAMILY BANK	028000029818	5,476	
MIGUYE PRIMARY SCH.	KCB BANK	1103283839	358	
KOWALLA PRIMARY SCH.	NBK BANK	01224024366203	1,598	
OKANJA PRIMARY SCH.	NBK BANK	01024122851100	40	
AWASI PAG GIRLS SEC. SCH.	ABSA BANK	2026255042	2,478	
RANJIRA PRIMARY SCH.	KCB ABNK	1131179919	1,581	
KOBURA PRIMARY SCH.	CO-OP BANK	01141613841000	619,831	
BUNGU KORAGA PRIMARY SCHOOL	CO-OP BANK	01117294243300	16,285	
LELA PRIMARY SCHOOL	NBK BANK	01224023716602	271,386	
RABUOR PRIMARY SCH.	NBK BANK	01224024365001	820	
KATOLO MIXED SEC. SCHOOL	KCB BANK	1285450205	249,395	
AROMBO MIXED SEC. SCHOOL	KCB BANK	1275712398	13,274	
KOWUOR MIXED SEC. SCHOOL	KCB BANK	1116066262	3,386	

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
NDURU MHM PRIMARY SCH.	CO-OP BANK	01141871393700	1,705	
HOLO ORUCHO PRIMARY SCHOOL	NBK BANK	01224024344403	317	
KATOLO PRIMARY SCHOOL	KCB BANK	1134888694	183	
ONG'EICHE PRIMARY SCHOOL	KCB BANK	1173281355	1,492	
Total			4,305,163	

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XVIII. 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 issue

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	<p>Misstatement of Other grants and Payments</p> <p>Included in note 7 to the financial statements under emergency projects is a payment number 291 of Kshs. 150,000 in respect to monitoring and evaluation hence overstating the account by the figure.</p> <p>In addition, a payment of Kshs 1,000,000 was used for renovation of a burnt dormitory at Awasi P.A.G Boys secondary school. However, the Board approved the funds for rehabilitation of classes in the school and the change of activity was unapproved. Also, the payment is wrongly classified as emergency project while its approval relates to transfers to secondary schools.</p>	<p>The committee through a minuted resolution has asked the NGCDF Board to ratify the change of activity from rehabilitation of classroom to renovation of dormitory. Once the approval is granted we shall avail a copy to your office</p>	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Reclassify the payments to the correct chart of accounts and amend the variances using journal entries. Also, avail the Board authority for change of activity			
4.2	<p>Unsupported Employment</p> <p>On 22 January 2020, the fund employed Ms. Edith KeyogaAmuyunzu on a three year renewal contract as office assistant. However, the application for employment, KRA pin certificate, Biodata, and a copy of the Kenya Certificate of Primary Education (KCPE) certificate are not documented in the employee personal file.</p> <p>Also the personal file of one Mr. Daniel Odhiambo Opon paid for six months from January 2020 to June 2020 was not availed for audit.</p> <p>A payment No.182 dated 10 February 2020 for Kshs. 30,000 was used to pay Ms.</p>	<ul style="list-style-type: none"> Edith KeyogaAmuyunzu has Kenya Certificate of secondary Education. A copy attached Daniel Odhiambo Opon is employed as groundsman without any formal education. There is a file for him with a letter of appointment Agnes Akinyi Obote was given salary advance of Kshs 30,000 and the same was fully recovered in ten months at Kshs 3,000 per month from February 2020 	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Agnes Akinyi Obote a salary advance. However, there is no indication that the fund was recovering the payment from the employee</p> <p>Recommendation Avail the testimonial and supporting documents for staff.</p>	<p>to November 2020. We have attached a copy of the payroll and what actually was transferred to her bank account</p>		
4.3	<p>Misstatement of Cash and Cash Equivalents</p> <p>The statement of assets and liabilities indicate a cash and cash equivalents balance of Kshs. 1,511,719. The supporting bank reconciliation statement as at 30 June 2020 indicates unrepresented cheques amounting to Kshs. 4,278,376 which includes unreversed stale cheques amounting to Kshs. 360,821. Therefore, the cash and cash equivalents is understated by the same figure.</p>	<ol style="list-style-type: none"> 1. All un presented stale cheques have since been reversed as per the attached December 2020 bank reconciliation 2. We have realized the discrepancy and this due to unpaid cheque N. 013782 for Kshs 16,000 less penalty of kshs 840. A copy of bank statement is attached 	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The fund bank statements indicate a bank balance as at 30 June 2020 of Kshs. 5,748,454 while the supporting certificate of bank balance as at the same date indicates a balance of Kshs. 5,763,614 thus resulting in unexplained variance of Kshs. 15,160.</p> <p>The payments in the bank statement not yet recorded in the cashbook includes two cheques paid in the year 2018 amounting to Kshs. 11,000 which has not been corrected. Also, a balance brought forward of Kshs. 26,741 and commission of 3,900 paid on 1 June 2020 and 30 June 2020 respectively could not be traced in the bank statements.</p> <p>Recommendation Explain the occurrences</p>			