

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY

**REPORT**

DATE: 22 NOV 2022

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Day: Tuesday

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**THE AUDITOR-GENERAL**

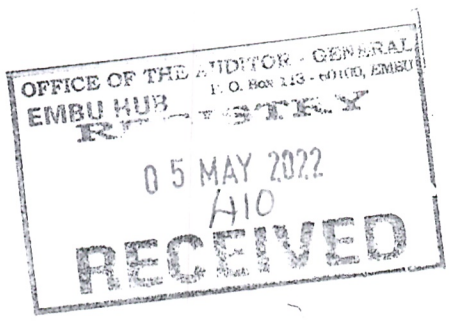
**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
ISIOLO SOUTH CONSTITUENCY**

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



*Revised Template 30<sup>th</sup> June 2021*



**ISIOLO SOUTH CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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*Isiolo South Constituency  
National Government Constituencies Development Fund (NGCDF)  
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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 Isiolo South 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 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	JOHN M. CHEGE
2.	Sub-County Accountant	PETER A. KUSUMO
3.	Chairperson NGCDFC	HALIMA ALI GUYO
4.	Member NGCDFC	ABDULLAHI HASSAN ROBA

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 987-60300  
Isiolo NGCDF office Building  
Garbatulla Road/Highway  
Garbatulla

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**(f) Isiolo South Constituency NGCDF Contacts**

Telephone: (254)722244776  
E-mail: [Isiolosouthngcdf.go.ke](mailto:Isiolosouthngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) Isiolo South Constituency NGCDF Bankers**

Consolidated Bank (specify the constituency account banker details)  
Isiolo Branch  
P.o Box 51133 00200  
GPO Nairobi

**(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 CHAIRPERSON'S REPORT**

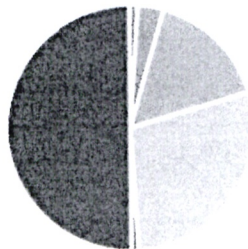


It gives me great pleasure to provide the foreword to the Isiolo South National Government Constituencies Development Fund Annual Reports and Financial Statements for 2020-2021.

During the year 2020/2021, Isiolo South NG-CDF was allocated a total of Kshs 137,088,879 out of which a total of Kshs. 124,999,999.69 was received and a balance of Kshs. 12,088,879.31 remained with the Board. The balance in all sectors was superb with security, bursary and education taking a bigger percentage of the allocation. However, failure to receive the full allocated amount limited the performance of the constituency to a 91% performance.

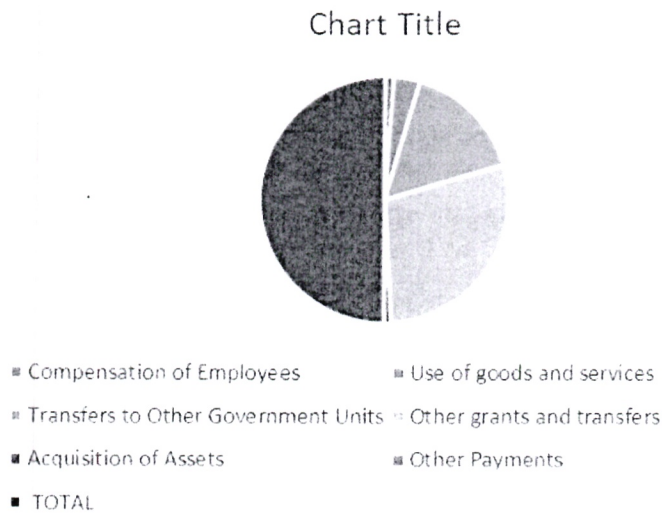
The original budget and allocation per section is as shown in the chart below;

Chart Title



- Compensation of Employees
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers
- Acquisition of Assets
- Other Payments
- TOTAL

The actual budget for the year and utilization per section is as shown in the chart below;



During the 2020-2021 Financial Year, we set out to improve on our overall operations and on Education, we began to map out keenly the needs of our institutions of learning, both primary and secondary schools. This was aimed at ensuring that no single needy institution is left out in terms of infrastructural development. This has resulted in a more targeted approach to resource allocation. In doing this, we were also cognisant of the need to ensure that we don't spread our resources too thin as to make any meaningful impact.

**List emerging issues related to the entity**

1. There have been many challenges since some sectors were devolved and therefore could no longer be funded by NG-CDF. Due to this some projects have stalled and this has caused a lot of complaints from the community members.
2. Another challenge is delay in release of funds from the National Government Constituency Development Fund Board causing delay in implementation of the projects.
3. All in all, the fund has been a success and many community members have benefited from it especially the education sector which has greatly been transformed through construction of classes, laboratories, dining halls and educating needy students through the bursary kitty.
4. The youths have also not been left since they have been motivated through the sports kitty through buying them sports uniforms, boots and balls for various football leagues in the constituency.

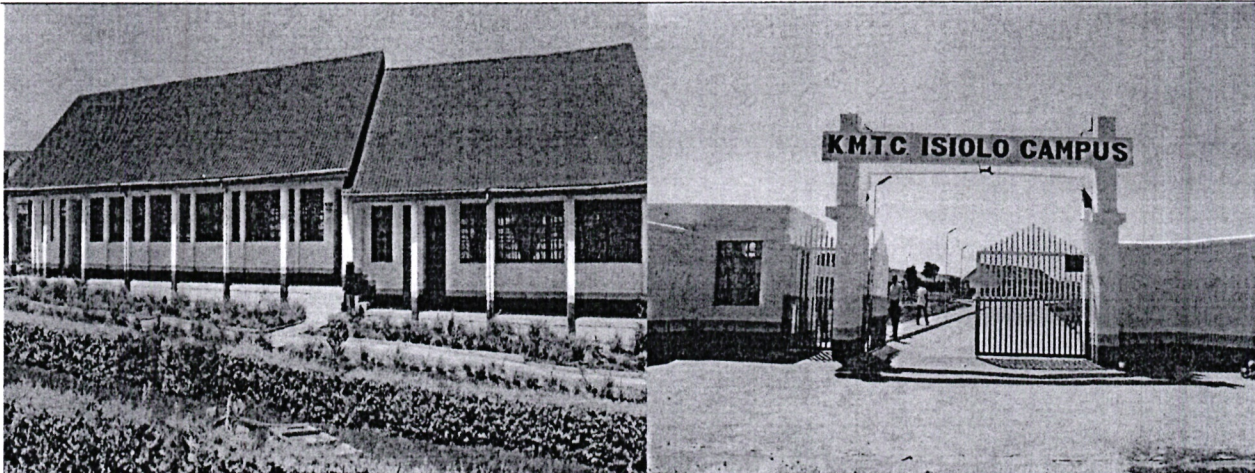
### **CHALLENGES AND ACHIEVEMENTS**

1. Records of work could not be accessed in some projects because the secretary was not in school.
2. Low capacity of some project management committees who were not able to prepare good record of work.
3. The constituency is so extensive and projects are many hence all of them could not be visited.
4. The exercise has instilled financial discipline to project management committees
5. The issue of filing project returns has been embraced by all project management committees
6. Some of the project management committees have not complied with the branding and labelling of NG-CD projects
7. Distance and poor roads led to incompleteness of projects due to high cost of transporting materials

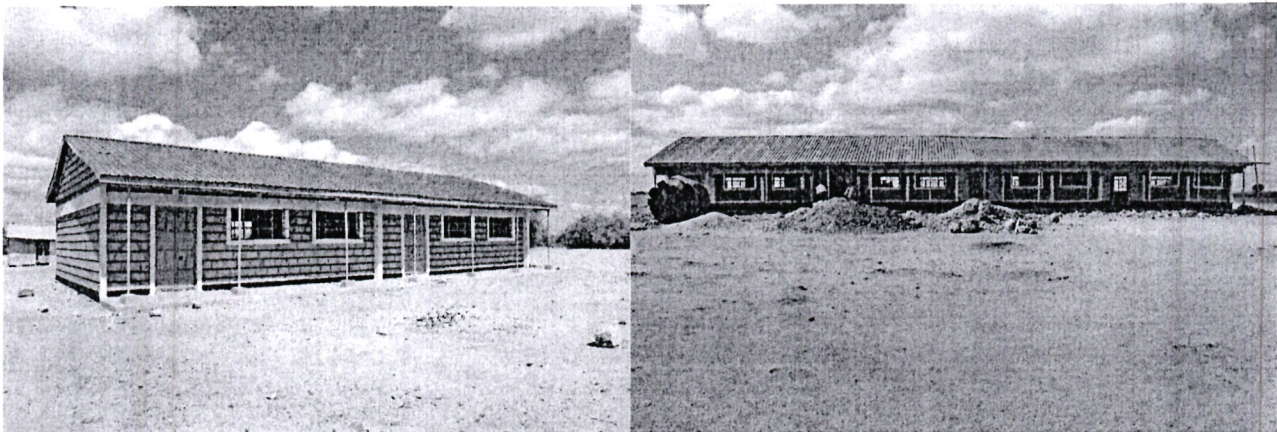
### **CONCLUSION AND RECOMMENDATION**

1. Proper utilization of funds by the project management committees
2. The NGCDFC internal control system need to do vigorous monitoring and evaluation to ensure good progress of all funded projects and quality work is done.
3. There is need to train PMC members on pertinent information relating to project implementation to acquire relevant skills for effective participatory monitoring and evaluation to ensure effective implementation of projects.
4. All project management committees have complied with labelling NGCDF funded projects.

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**KMTc Tuition Block:** In partnership with Isiolo North CDF, we contributed KES 5 m towards construction of tuition block and landscaping FINANCIAL YEAR 2018/2019



**Biliqi Nur Day Primary School:** Construction of 2 classrooms block FINANCIAL YEAR 2018/2019 KES 2.4 M

Signature

CHAIRPERSON 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 Isiolo South *Constituency 2018-2022* plan are to:

- a) Improve security in the constituency through construction of AP Lines, chiefs and Assistant Chiefs offices and refurbishment of existing ones
- b) Improve learning through construction of new classrooms in various schools
- c) Improve standard learning through construction of 10 Dining Halls in various institutions
- d) Improve academic performance in schools through construction and equipping of laboratories in various schools
- e) Ensure smooth learning in schools through refurbishment of dilapidated classrooms in primary schools
- f) Motivate students to perform and enhance competition through purchase of buses to the best performing schools as a learning resource

#### Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To 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, secondary, and tertiary institutions	In FY 2020/2021 -we increased number of classrooms, dormitories, laboratories, administration blocks, toilets e.t.c from 20 to70 in the

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			- number of bursary beneficiaries at all levels	following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	-Reduce insecurity incidences -Upgrade the working environment of the local administrators	Favourable working environment for the local administrators	Good structures for local administrators	Number of constructed chiefs' offices increased from 2 to 10 Number of assistant chiefs' offices increased from 2 to 7
Environment	Ensure a more sustainable and well-kept environment through planting of trees and soil erosion conservation through proper drainage systems	-Planting of tree seedlings to schools to improve the forest cover - School compounds landscaping to curb soil erosion	-Number of trees planted  -Number of schools undergone landscaping	-Number of trees planted increased from 100 to 1000  -Number of schools undergone landscaping increased from 0 to 5
Sports	-Nurture the talents of the youths through sports activities	Improved independence and shoot economic growth through sports activities	Number of youth teams benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 15 to 50
Disaster Management	Ensure enough preparation against uncertainties	Set aside emergency fund to cater for unforeseen occurrences	Number of uncertainties prevented	Number of uncertainties prevented increased from 2 to 6

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

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

- a. **Education and Training:** Isiolo South 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

### **Environment Policy and Action Plan**

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

### **Our Environmental Policy**

In this policy statement Isiolo south NG-CDF commits to:

- ✓ Comply with all relevant environmental legislation, regulations and approved codes of practice
- ✓ Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water

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- ✓ Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- ✓ Managing and disposing of all wastage in a responsible manner;
- ✓ Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- ✓ Regularly communicating our environmental performance to our employees and other significant stakeholders
- ✓ Developing our management processes to ensure that environmental factors are considered during planning and implementation
- ✓ Monitoring and continuously improving our environmental performance.
- ✓ Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

**Our Environmental Action Plan**

Isiolo south NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts. These four areas together with our approach and targets for each are shown below:

<b>Impact Area</b>	<b>Approach</b>
Capacity Building	Promote environmental awareness by sensitizing the Isiolo south NG-CDF Committee, NG-CDF staff and PMCs on good conservation practices • To encourage, through regular communication to Isiolo south NG-CDF committee, staff , and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	To maximize use of available technologies to remove the need to use paper <ul style="list-style-type: none"> <li>• To encourage our clients to engage with us using electronic means where possible</li> <li>• To maximize on rain water harvesting</li> <li>• To make energy efficiency a key factor in the selection of any new energy devise being purchased</li> <li>• To invest in available energy saving technologies and devices within our existing premises</li> </ul>
Environmental Protection and Conservation	To promote use of volt guards to control power surges <ul style="list-style-type: none"> <li>• We have constructed culverts and gabions to prevent soil erosion</li> <li>• To encourage tree planting in the constituency</li> </ul>

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	<p>to improve the forest cover.</p> <ul style="list-style-type: none"> <li>• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires</li> </ul>
Pollution Control and Waste Management	<p>To ensure that all paper waste is recycled</p> <ul style="list-style-type: none"> <li>• To ensure segregation of waste</li> <li>• To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks</li> </ul>

Isiolo South NG-CDF has strived to adhere to existing environment policies geared towards environmental conversation through;

- i) Developing and implementing action plan
- ii) Ensuring that Environmental Impact Assessment is conducted prior to starting any project
- iii) Initiation of water conservation projects where institutions are supplied with water tanks and water harvesting goods installed
- iv) The constituency is also encouraging institutions to embrace use of energy saving jikos, biogas so as to discourage cutting down of trees for firewood
- v) Sensitization of the community on importance of conservation and use of eco-friendly toilets challenges

### 3. Employee welfare

We invest in providing the best working environment for our employees. Isiolo South 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. Isiolo South 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-

Isiolo South 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-**

Isiolo South 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.

Isiolo South 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.

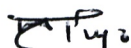
The Accounting Officer in charge of the NGCDF-Isiolo south Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-Isiolo South 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-Isiolo South 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 Isiolo South 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-Isiolo South Constituency financial statements were approved and signed by the Accounting Officer on 29 September 2021.



Chairperson NGCDF Committee  
Name: Halima Ali Guyo

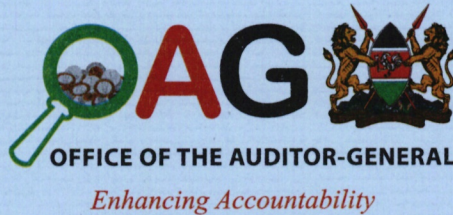


Fund Account Manager  
Name: John M. Chege



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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### **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 - Isiolo South Constituency set out on pages 17 to 52, 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, the summary statement of

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for the year ended 30 June, 2021*

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 - Isiolo South 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 the Public Finance Management Act, 2012 and comply with the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1.0 Stale Cheques**

The statement of assets and liabilities reflects bank balances of Kshs.21,667,690 as at 30 June, 2021 whose bank reconciliation statement reflects an amount of Kshs.12,276,795 in respect to unpresented cheques as at 30 June, 2021, which includes 84 stale cheques amounting Kshs.1,328,755 that had not been reversed to the cash book or replaced.

In the circumstances, the accuracy of the balance of Kshs.21,667,690 in respect to the cash and cash equivalent could not be confirmed.

#### **2.0 Unaccounted for Furniture Expenditure**

The statement of receipts and payments and as disclosed under Note 6 to the financial statements reflects an amount of Kshs.84,310,000 in respect to transfers to other government entities . The transfers includes an amount of Kshs.54,310,000 relating to transfers to various secondary schools, which further includes a payment of Kshs.4,375,000 being payment for purchase of assorted furniture. However, list of the beneficiary schools and the distribution list for the furniture was not provided for audit.

In the circumstances, the payment of the expenditure and existence of furniture of Kshs.4,375,000 could not be confirmed.

#### **3.0 Prior Year Adjustments**

The statement of assets and liabilities reflects an amount of Kshs.9,343,164 described as prior year adjustments. However, the nature of the prior year adjustments has not been disclosed in the financial statements. In addition, Note 14 to the financial statements, and which relates to the prior year adjustments, indicates comparative balance of Kshs.19,682,519, while the statement of assets and liabilities indicates a nil comparative balance.

In the circumstances, the accuracy of the prior year adjustment balance could not be confirmed.

#### **4.0 Variance between Statement of Appropriation and Unutilized Funds**

The summary statement of appropriation reflects an amount of Kshs.10,339,354 and Kshs.90,861,336 relating to cash book opening balance and previous years outstanding disbursements respectively, all totaling to Kshs.101,200,690. However, Note 17.3 to the financial statements reflects unutilized funds brought forward of Kshs.103,707,079 resulting to unreconciled variance of Kshs.2,506,389.

In the circumstances, the accuracy of the two balances reflected in the financial statements 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 - Isiolo South Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

#### **Other Matter**

##### **1.0 Budgetary Control and Performance**

The summary statement of appropriation for the year ended 30 June, 2021 reflects budgeted receipts of Kshs.238,289,570 and actual receipts of Kshs.198,207,079 resulting to unrealized revenue of Kshs.40,082,491 or 17%.

Similarly, the fund had budget of Kshs.238,289,570 and actual expenditure of Kshs.185,882,553 resulting to under absorption of Kshs.52,407,017 or 22%.

The under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public

##### **2.0 Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

# 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 matter described in the Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1.0 Incomplete Work at Garbatulla Girls Day Secondary School**

The statement of receipts and payments reflects an amount of Kshs.84,310,000 relating to transfers to other government entities and as disclosed under Note 6 to the financial statements include an amount of Kshs.54,310,000 relating to transfers to secondary schools. The transfers to secondary schools further include Kshs.4,800,000 paid to Garbatulla Girls Day Secondary School for conversion of two existing buildings into a laboratory and a library and construction of 3 blocks pit latrine of 2 doors each. However, audit inspection carried out in April, 2022 revealed that although the exterior of the buildings had been renovated, conversion of the two buildings into a laboratory had not been done.

In addition, the pit latrines had not been constructed even though payment had been made for construction of those facilities.

In the circumstances, the delay in implementation of the projects negatively impacted on service delivery to the public.

### **2.0 Non-Compliance with Public Sector Accounting Standards Board and Reporting Template**

The reporting template issued by Public Sector Accounting Standards Board (PSASB) in June, 2021 requires that the National Sub-County Accountant should sign the financial statements and indicate his/her ICPAK membership number. However, the National Sub-County Accountant ICPAK membership number has not been indicated in the financial statements.

In the circumstances, the financial statements do not comply to this extent with the reporting template issued Public Sector Accounting Standards Board (PSASB).

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 Report 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**

#### **Untagged Assets**

Annex 4 to the financial statements reflects a balance of Kshs.15,787,000 in respect to fixed assets as at 30 June, 2021 which comprise of transport equipment and information communication technology (ICT) equipment, software and other ICT assets with a historical value of Kshs.14,246,000 and Kshs.1,541,000 respectively. However, the ICT equipment and other ICT assets were not tagged for ease of tracking and identification contrary to Section 139(1)(a)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that the accounting officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventive mechanisms are in place to eliminate theft, security threat, loss, wastage and misuse and that movement and condition of the assets can be tracked.

In the circumstances, security of the transport equipment and Information Communication Technology (ICT) equipment, software and other ICT assets as at 30 June, 2021 could not be confirmed. In addition, the Fund was in breach of the law.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls 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 its 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 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 the entity 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 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 controls 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:

- 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 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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

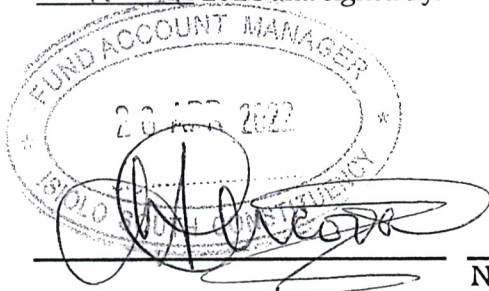
05 September, 2022

*Isiolo South 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
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	187,867,724	102,510,186
Proceeds from Sale of Assets	2	-	
Other Receipts	3		
<b>TOTAL RECEIPTS</b>		<b>187,867,724</b>	<b>102,510,186</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,322,440	1,757,480
Use of goods and services	5	15,327,672	11,664,058
Transfers to Other Government Units	6	84,310,000	52,800,000
Other grants and transfers	7	81,422,441	26,729,370
Acquisition of Assets	8	2,500,000	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>185,882,553</b>	<b>92,950,908</b>
<b>SURPLUS/DEFICIT</b>		<b>1,985,171</b>	<b>9,559,278</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Isiolo South Constituency financial statements were approved on 29/09/2021 and signed by:



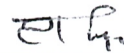
Fund Account Manager

Name: Jonh M. Chege



National Sub-County  
Accountant

Name: Peter A. Kusumo  
ICPAK M/No:



Chairperson NG-CDF  
Committee

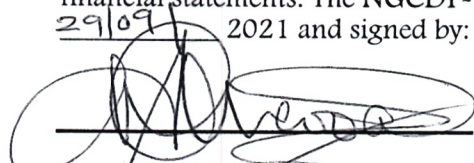
Name: Halima Ali Guyo

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

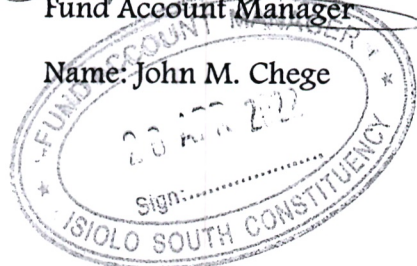
**VIII. STATEMENT OF ASSETS AND LIABILITIES**

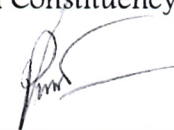
	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	21,667,690	10,339,354
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>21,667,690</b>	<b>10,339,354</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>21,667,690</b>	<b>10,339,354</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>21,667,690</b>	<b>10,339,354</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...		10,339,355	780,076
Prior year adjustments	14	9,343,164	
Surplus/Defict for the year		1,985,171	9,559,278
<b>NET FINANCIAL POSITION</b>		<b>21,667,690</b>	<b>10,339,354</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Isiolo South Constituency financial statements were approved on 29/09/2021 and signed by:

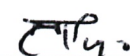
  
Fund Account Manager

Name: John M. Chege



  
National Sub-County Accountant

Name: Peter A. Kusumo  
ICPAK M/No:

  
Chairperson NG-CDF Committee

Name: Halima Ali Guyo

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

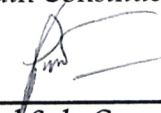
STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	187,867,724	102,510,186
Other Receipts	3	-	-
		<b>187,867,724</b>	<b>102,510,186</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,322,440	1,757,480
Use of goods and services	5	15,327,672	11,664,058
Transfers to Other Government Units	6	84,310,000	52,800,000
Other grants and transfers	7	81,422,441	26,729,370
Other Payments	9	-	-
		<b>183,382,553</b>	<b>92,950,908</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	9,343,164	-
<b>Net Adjustments</b>		<b>9,343,164</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>13,828,335</b>	<b>9,559,278</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(2,500,000)	-
<b>Net cash flows from Investing Activities</b>		<b>(2,500,000)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>11,328,335</b>	<b>9,559,278</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>10,339,354</b>	<b>780,076</b>
<b>Cash and cash equivalent at END of the year</b>		<b>21,667,689</b>	<b>10,339,354</b>

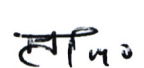
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Isiolo South Constituency financial statements were approved on 29/09/2021 and signed by:

  
Fund Account Manager

Name: John M. Chege

  
National Sub-County  
Accountant

Name: Peter A. Kusumo  
ICPAK M/No:

  
Chairperson NG-CDF  
Committee

Name: Halima Ali Guyo

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

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

IX. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>				
Transfers from NG-CDF Board	137,088,879	10,339,355	90,861,336	238,289,570	198,207,079	40,082,491	83.2%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	#DIV/0!
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>10,339,355</b>	<b>90,861,336</b>	<b>238,289,570</b>	<b>198,207,079</b>	<b>40,082,491</b>	<b>83.2%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,100,000			3,100,000	2,322,440	777,560	74.9%
Use of goods and services	9,237,999	698,521	7,254,529	17,191,050	15,327,672	1,863,378	89.2%
Transfers to Other Government Units	43,600,000	2,000,000	39,000,000	84,600,000	84,310,000	290,000	99.7%
Other grants and transfers	78,650,880	7,640,833	42,106,807	128,398,520	81,422,441	46,976,079	63.4%
Acquisition of Assets	2,500,000		2,500,000	5,000,000	2,500,000	2,500,000	50.0%
Other Payments	0			0	-	-	#DIV/0!
<b>TOTAL</b>	<b>137,088,879</b>	<b>10,339,354</b>	<b>90,861,336</b>	<b>238,289,570</b>	<b>185,882,553</b>	<b>52,407,017</b>	<b>78.0%</b>

*\*\*Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

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

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]


(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

i. Underutilization occurred due to late release of funds from the board and AIE's

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

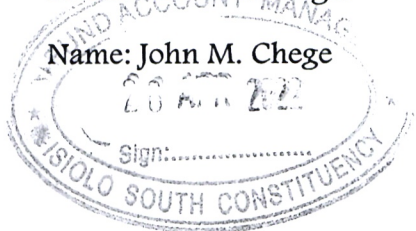
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	52,407,017
Less undisbursed funds receivable from the Board as at 30th June 2021	40,082,491
	12,324,526
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	9,343,164
Cash and Cash Equivalents at the end of the FY 202021	21,667,690

The NGCDF-Isiolo South Constituency financial statements were approved on 29/09/2021 and signed by:



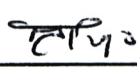
Fund Account Manager

Name: John M. Chege




National Sub-County Accountant

Name: Peter A Kusumo  
ICPAK M/No:



Chairperson NG-CDF Committee

Name: Halima Ali Guyo

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

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

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				
	2020/2021			2020/2021	30/06/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,100,000			3,100,000	2,322,440	777,560	75
1.2 Committee allowances	2,000,000		622,550	2,622,550	2,589,600	32,950	99
1.3 Use of goods and services	3,125,333		3,790,069	6,915,402	7,194,772	(279,370)	104
<b>Total</b>	<b>8,225,333</b>	<b>-</b>	<b>4,412,619</b>	<b>12,637,952</b>	<b>12,106,812</b>	<b>531,140</b>	
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	2,300,000		1,212,000	3,512,000	2,300,000	1,212,000	65
2.2 Committee allowances	1,112,666		508,879	1,621,545	1,621,545	0	100
2.3 Use of goods and services	700,000	698,521.42	1,121,032	2,519,553	1,621,755	897,798	64
<b>Total</b>	<b>4,112,666</b>	<b>698,521</b>	<b>2,841,911</b>	<b>7,653,098</b>	<b>5,543,300</b>	<b>2,109,798</b>	
<b>3.0 Emergency</b>							
3.1 Primary Schools	1,200,000			1,200,000	1,200,000	-	100
3.2 Secondary schools				-			#DIV/0!
3.3 Tertiary				-			#DIV/0!

*Isiolo South Constituency  
National Government Constituencies Development Fund (NGCDF)  
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institutions							
3.4 Security projects	5,992,207		669,385	6,661,592	6,470,000	191,592	97
3.5 Unutilised				-	-		#DIV/0!
<b>Total</b>	<b>7,192,207</b>	<b>-</b>	<b>669,385</b>	<b>7,861,592</b>	<b>7,670,000</b>	<b>191,592</b>	<b>98</b>
4.0 Bursary and Social Security				-			
4.1 Secondary Schools	18,822,885		14,800,000	33,622,885	20,164,133	13,458,752	60
4.2 Tertiary Institutions	20,194,010	4,940,833	10,059,118	35,193,961	17,698,308	17,495,653	50
4.3 Social Security				-			#DIV/0!
4.4 Special Needs				-	-		#DIV/0!
<b>Total</b>	<b>39,016,896</b>	<b>4,940,833</b>	<b>24,859,118</b>	<b>68,816,846</b>	<b>37,862,441</b>	<b>30,954,405</b>	<b>55</b>
5.0 Sports				-			
5.1	2,241,778			2,241,778	2,200,000	41,778	98
			2,700,000	2,700,000	2,700,000	-	100
				-	190,000	(190,000)	#DIV/0!
<b>Total</b>	<b>2,241,778</b>	<b>-</b>	<b>2,700,000</b>	<b>4,941,778</b>	<b>5,090,000</b>	<b>(148,222)</b>	<b>103</b>
6.0 Environment				-			
Gafarsa day secondary school	225,000	2,700,000	225,000	3,150,000	225,000	2,925,000	7
Garfasa primary school	225,000		225,000	450,000	225,000	225,000	50
Bisanadi primary school	225,000		225,000	450,000	225,000	225,000	50
Bisanadi chiefs office	225,000		225,000	450,000	225,000	225,000	50
Duse primary school	225,000		225,000	450,000	225,000	225,000	50
Algani day secondary school	225,000		225,000	450,000	225,000	225,000	50
Kulamawe secondary school	225,000		225,000	450,000	225,000	225,000	50

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Wako wario primary school	225,000		225,000	450,000	225,000	225,000	50
Rapsu primary school	225,000		225,000	450,000	225,000	225,000	50
Kulamawe primary school	225,000		225,000	450,000	225,000	225,000	50
Barabate primary school	225,000		225,000	450,000	225,000	225,000	50
Eldera Do's office	225,000		225,000	450,000	225,000	225,000	50
<b>Total</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>8,100,000</b>	<b>2,700,000</b>	<b>5,400,000</b>	<b>33</b>
<b>7.0 Primary Schools Projects</b>				-			
Primary School Furniture			7,000,000.00	7,000,000	7,000,000	-	100
Garbatulla Boarding Primary School			4,600,000.00	4,600,000	4,600,000	-	100
Kombola Pry School			6,000,000.00	6,000,000	6,000,000	-	100
Badana Primary School			1,200,000.00	1,200,000	1,200,000	-	100
Garbatulla Boarding				-	3,400,000	(3,400,000)	#DIV/0!
Abargarse Pry Sch				-	1,200,000	(1,200,000)	#DIV/0!
Duse Primary School				-	1,200,000	(1,200,000)	#DIV/0!
Primary Sch Furniture	5,400,000			5,400,000	5,400,000	-	100
<b>Total</b>	<b>5,400,000</b>	<b>-</b>	<b>18,800,000</b>	<b>24,200,000</b>	<b>30,000,000</b>	<b>(5,800,000)</b>	<b>124</b>
<b>8.0 Secondary Schools Projects</b>				-		-	
Algani Day Sec Sch				-	635,000	(635,000)	#DIV/0!
Secondary Schools Furniture			5,000,000	5,000,000	4,375,000	625,000	88
Algani Girls Sec Sch				-	2,100,000	(2,100,000)	#DIV/0!
Gafarsa Day Sec Sch				-	2,100,000	(2,100,000)	#DIV/0!



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Security				-	9,500,000	(9,500,000)	#DIV/0!
Total	27,500,000	-	11,178,304	38,678,304	28,100,000	10,578,304	73
11.0 Acquisition of assets				-			
11.1 Refurbishment of Buildings	2,500,000		2,500,000	5,000,000	2,500,000	2,500,000	50
11.2 Construction of CDF office	-		-	-	-	-	#DIV/0!
11.3 Purchase of furniture and equipment	-		-	-	-	-	#DIV/0!
11.4 Purchase of computers	-		-	-	-	-	#DIV/0!
Total	2,500,000	-	2,500,000	5,000,000	2,500,000	2,500,000	50
13.0 unallocated fund				-			
Unapproved projects				-			#DIV/0!
AIA				-		-	#DIV/0!
PMC savings				-			#DIV/0!
Total	-	-	-	-	-	-	#DIV/0!
	137,088,879	10,339,354	90,861,336	238,289,570	185,882,553	52,407,017	

(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-Isiolo South 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.

**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 1<sup>st</sup> July 2020 to 30<sup>th</sup> 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 30<sup>th</sup> 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**

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
		Kshs	Kshs
AIE NO	B041039/18/19		41,130,876
AIE NO	B047427/19/20		4,000,000
AIE NO	B011406/18/19		6,000,000
AIE NO	B049216/17/18		4,379,310
AIE NO	B096563/19/20		40,000,000
AIE NO	B096802/17/18		7,000,000
AIE NO	B096921	24,000,000	
AIE NO	B096873	2,500,000	
AIE NO	B104892	64,361,336	
AIE NO	B138819	13,000,000	
AIE NO	B128096	6,900,000	
AIE NO	B132151	6,000,000	
AIE NO	B124525	9,000,000	
AIE NO	B124951	8,500,000	
AIE NO	B124842	5,006,388	
AIE NO	B128407	6,000,000	
AIE NO	B126115	7,000,000	
AIE NO	B126404	10,600,000	
AIE NO	B140550	12,000,000	
AIE NO	B119806	13,000,000	
<b>TOTAL</b>		<b>187,867,724</b>	<b>102,510,186</b>

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,945,580	1,512,000
Basic wages of casual labour	-	185,000
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	297,600	-
Employer Contributions Compulsory national social security schemes	79,260	60,480
<b>TOTAL</b>	<b>2,322,440</b>	<b>1,757,480</b>

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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	0	0
Electricity	3,000	68,000
Water & sewerage charges	5,000	3,000
Office rent		
Communication, supplies and services	150,000	79,000
Domestic travel and subsistence	185,800	252,900
Printing, advertising and information supplies & services	300,000	0
Rentals of produced assets	-	-
Training expenses	2,300,000	488,000
Hospitality supplies and services	0	1,440,115
Other committee expenses	1,336,800	4,200
Committee allowance	5,832,900	4,440,500
Insurance costs	308,170	-
Specialised materials and services	-	-
Office and general supplies and services	300,000	632,795
Fuel , oil & lubricants	3,040,982	2,892,026
Other operating expenses	0	0
Bank service commission and charges	0	37,300
Other Operating Expenses	-	-
Security operations	-	300,000
Routine maintenance - vehicles and other transport equipment	1,565,020	624,322
Routine maintenance- other assets		401,900
<b>TOTAL</b>	<b>15,327,672</b>	<b>11,664,058</b>

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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	30,000,000	18,600,000
Transfers to Secondary Schools	54,310,000	29,200,000
Transfers to Tertiary Institutions	-	5,000,000
<b>TOTAL</b>	<b>84,310,000</b>	<b>52,800,000</b>

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary	20,164,133	3,010,000
Bursary -Tertiary	17,698,308	4,842,090
Bursary- Special Schools	-	-
Mocks & CAT	-	2,412,680
Social Security programmes		
Security Projects	28,100,000	9,000,000
Sports Projects	5,090,000	-
Environment Projects	2,700,000	-
Emergency Projects	7,670,000	7,464,600
<b>TOTAL</b>	<b>81,422,441</b>	<b>26,729,370</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

8. ACQUISITION OF ASSETS

<b>Non Financial Assets</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	2,500,000.00	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	0-	-
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	-	-
<b>TOTAL</b>	<b>2,500,000</b>	<b>-</b>

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9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

10: CASH BOOK BANK BALANCE

<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
Closing cash book bank balance		<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
<i>Kenya Commercial Bank, Isiolo Branch . Isiolo South NG-CDF</i>	<i>A/C no.1146215614</i>	<b>21,667,689.64</b>	<b>10,339,354</b>
Equity Bank		-	-
		-	-
<b>TOTAL</b>		<b>21,667,689.64</b>	<b>10,339,354</b>
<b>10B: CASH IN HAND)</b>			
		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-
<i>Total</i>	-	-	-	-

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

12A. RETENTION

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

*[Provide short appropriate explanations as necessary.]*

12B. GRATUITY

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

*[Provide short appropriate explanations as necessary]*

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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	10,339,355	780,076
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>10,339,355</b>	<b>780,076</b>

*[Provide short appropriate explanations as necessary]*

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjusments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	<u>10,339,354.54</u>		19,682,519
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	9,343,164	-
<b>Total</b>	<b>10,339,355</b>	<b>9,343,164</b>	<b>19,682,519</b>

*\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)*

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST\*

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

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

	2020 – 2021	2019-2020
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation of employees	777,560	1,242,520
Use of goods and services	1,863,378	6,654,051
Transfers to other Government entities	290,000	84,951,181
Other grants and other transfers	46,976,079	10,119,327
Acquisition of assets	2,500,000	0
Others Payments	0	740,000
	<b>52,407,017</b>	<b>103,707,079</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5)

	2020- 2021	2019- 2020
	Kshs	Kshs
PMC account balances		
Biliqi Nur Primary School	-	475,352
Qoticha Primary School	-	-
Kombola Primary School	-	-
Malkadaka Primary School	-	-
Matagari primary school	-	-
makarim Primary school	-	-
Sericho Secondary School	-	-
Badana Primary School	-	2,399
Qotich Primary School	-	1,357,862
Abagarse Primary School	-	896,288
Duse Primary School	-	1,764
Algani Day Secondary School	-	314,298
Gafarsa Day Secondary School	-	307,606
Eldera Assistant County Commissioner's office and house	-	6,000,000
Malkadaka AP line	-	5,743
Didabakiri Primary School	-	357,992
Boji Primary School	-	1,002,333
Garbatulla Boarding Primary School	1,074,571	-
Kombola Pry School	477,105	-
Badana Primary School	552,194	-
Abagarse Pry Sch	52,616	-
Muchuro Primary School	58,250	-
Duse Primary School	69,287	-
Algani Day Sec Sch	682,408	-
Gafarsa Day Sec Sch	4,116,233	-
Garbatulla day sec sch	902,535	-
Sericho Sec Sch	3,275	-

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	2020- 2021	2019- 2020
	Kshs	Kshs
Biliqi Nur Se Sch	7,651	-
Eldera ACC's office and house	177,308	-
Belgesh Polis Post	156	-
Kinna Chief's Camp	1,172	-
Garbatulla Police Line	28,797	-
Isiolo South NG-CDF sports	704	-
DC's Office Compound	61,106	-
NG-CDF Office	1	-
Isiolo South Environment	928	-
	<b>8,266,295</b>	<b>10,721,637</b>

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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	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> 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		531,140	1,242,520	
Use of goods & services		2,109,798	6,654,051	
Amounts due to other Government entities		290,000	84,951,181	
	Sub-Total	2,930,938	92,847,752	
Amounts due to other grants and other transfers		46,976,079	10,119,327	
	Sub-Total	46,976,079	10,119,327	
Acquisition of assets		2,500,000		
Others (unallocated funds)			740,000	
	Sub-Total	2,500,000	740,000	
Funds pending approval				
	Grand Total	52,407,017	103,707,079	

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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				
Transport equipment	14,246,000	-	-	14,246,000
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets	1,541,000	-	-	1,541,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>15,787,000</b>	<b>-</b>	<b>-</b>	<b>15,787,000</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
PMC account balances			
Biliqi Nur Primary School	10111301000251	-	475,352
Qoticha Primary School	10111301000255	-	-
Kombola Primary School	10111301000232	-	-
Malkadaka Primary School	10111301000240	-	-
Matagari primary school	10111301000245	-	-
makarim Primary school	10111301000236	-	-
Sericho Secondary School	10111301000212	-	-
Badana Primary School	10111301000295	-	2,399
Qotich Primary School	10111301000512	-	1,357,862
Abagarse Primary School	10111301000537	-	896,288
Duse Primary School	10111301000242	-	1,764
Algani Day Secondary School	10111301000436	-	314,298
Gafarsa Day Secondary School	10111301000424	-	307,606
Eldera Assistant County Commissioner's office and house	10111301000539	-	6,000,000
Malkadaka AP line	10111301000510	-	5,743
Didabakiri Primary School	10111301000509	-	357,992
Boji Primary School	10111301000284	-	1,002,333
Garbatulla Boarding Primary School	10101203000063	1,074,571	-
Kombola Pry School	10111203000214	477,105	-
Badana Primary School	10111203000220	552,194	-
Abagarse Pry Sch	10111301000537	52,616	-
Muchuro Primary School	10111203000222	58,250	-
Duse Primary School	10111203000211	69,287	-
Algani Day Sec Sch	10111301000436	682,408	-
Gafarsa Day Sec Sch	10111301000424	4,116,233	-

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		2020- 2021	2019- 2020
		Kshs	Kshs
Garbatulla day sec sch	10111203000210	902,535	-
Sericho Sec SCh	10111301000212	3,275	-
Biliqi Nur Se Sch	10111203000219	7,651	-
Eldera ACC's office and house	10111301000539	177,308	-
Belgesh Polis Post	10111203000218	156	-
Kinna Chief's Camp	10111301000356	1,172	-
Garbatulla Police Line	10111301000443	28,797	-
Isiolo South NG-CDF sports	10111203000213	704	-
DC's Office Compound	10111203000223	61,106	-
NG-CDF Office	10111203000209	1	-
Isiolo South Environment	10111301000312	928	-
		<b>8,266,295</b>	<b>10,721,637</b>

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

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)
Inaccuracies in Unutilized Fund	Unreconciled variance between the note and the summary statement of appropriation	To amend the financial statement	Resolved	20/06/2021
Unsupported Fuel, Oils and Lubricants	Supporting documents not availed	Supporting documents have since been availed	Resolved	20/06/2021
Unsupported Bursaries	Non accountability of bursary funds	Acknowledgement receipts have since been availed	Resolved	20/06/2021
Budgetary Control and Performance	Under-funding of the budget resulting to an under expenditure	It is due to late disbursement of funds from NGCDF Board	Resolved	20/06/2021
Delay in Project Implementation	Ongoing and not started projects	Most of the ongoing projects were from the previous year and the not started are as result of late disbursement of funds from NGCDF Board	Resolved	20/06/2021
Irregular Repairs at the Fund Office	Supporting documents not availed	Supporting documents have since been availed	Resolved	20/06/2021

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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)
Irregular Procurement	Use of wrong procurement procedure	Will ensure procurement laws and regulations are adhered to	Resolved	20/06/2021