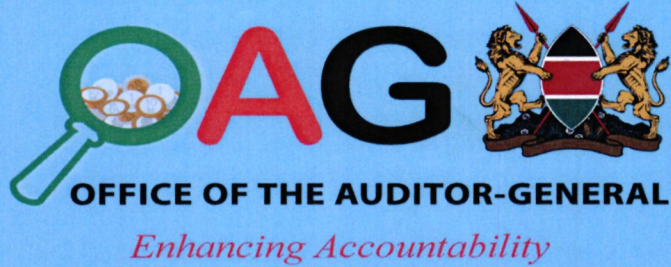


REPUBLIC OF KENYA



# REPORT

OF

**THE AUDITOR-GENERAL**

PARLIAMENT  
OF KENYA  
LIBRARY

THE NATIONAL ASSEMBLY	
DATE	ON 10 AUG 2023
TABLED BY:	Hon Owen Bayo, MP Deputy leader, majority party
CLERK AT THE TABLE:	Wendie Chebet

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

**FOR THE YEAR ENDED  
30 JUNE, 2022**



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**MALAVA CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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Table of Contents

	Page
I. Key Constituency Information and Management.....	iii
II. NG-CDFC Chairman's Report.....	vii
Graphical Representation of Expenditure in percentage.....	viii
Graphical Representation of Receipts and Expenditure in percentage.....	viii
III. Statement of Performance Against Predetermined Objectives for FY2021/22.....	xi
IV. Environmental and Sustainability Reporting.....	xiii
V. Statement of Management Responsibilities.....	xvii
VI. Report of the Independent Auditors on The NGCDF- Malava Constituency.....	xix
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022.....	1
VIII. Statement of Assets and Liabilities As At 30th June, 2022.....	2
IX. Statement of Cash Flows for the Year Ended 30th June 2022.....	3
X. Summary Statement of Appropriation for the Year Ended 30th June 2022.....	4
X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022.....	6
XI. Significant Accounting Policies.....	13
XII. Notes to the Financial Statements.....	19

## 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;

*Malava Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

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- 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 Malava 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 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Collins Obuya
2.	Sub-County Accountant	Lencer Odira
3.	Chairman NGCDFC	Festus Mmasi
4.	Member NGCDFC	Everline Simwa

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 281-50103  
NG-CDF House  
Off Kakamega-Webuye Road next to Malava Market  
Malava, KENYA

**(f) Malava Constituency NGCDF Contacts**

Telephone: (254) 0721901620  
E-mail: [cdmalava@ngcdf.go.ke](mailto:cdmalava@ngcdf.go.ke)  
Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) Malava Constituency NGCDF Bankers**

Co-operative Bank of Kenya Ltd  
Kakamega Branch  
P.O. Box  
KAKAMEGA

**(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



**Festus Newton Mmasi  
Chairman  
Malava NGCDF**

The constituency currently has 150 Primary and 54 Secondary schools in the public sector. It is one of the third highly populated constituencies and above all, a purely rural constituency. Owing to this, there is heavy pressure on the available funds in terms of infrastructure development as well as education bursary needs. It is in fact the largest constituency in Kakamega County.

### **Financial report**

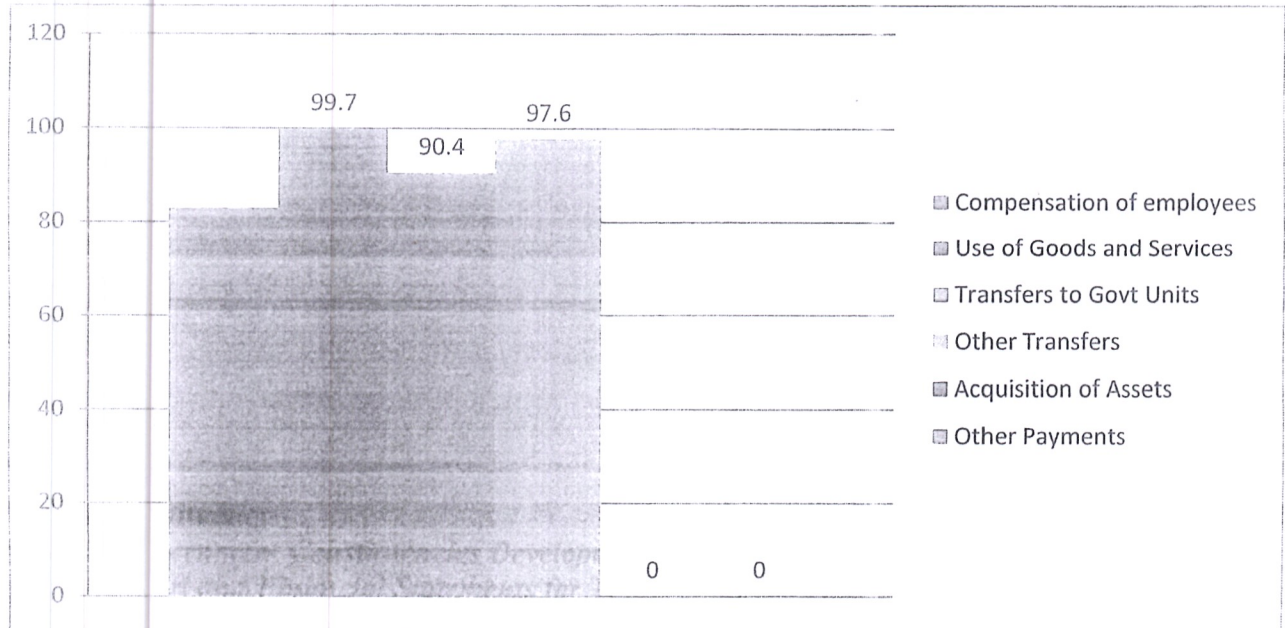
The constituency received Ksh.137,088,879 meant for Financial year 2021/2022. There was a balance brought forward of Ksh.13,342,846 and also received Ksh.33,000,000 being part of 2020/2021 Financial year giving us a total of Ksh.183,431,725 as available funds. The total payments for the financial year amounted to Ksh.181,277,694

To ensure reduced risks of funds misappropriation by the project implementers, we have strictly adhered to the use of the Inspection and Acceptance certificate which is duly signed by the institution's management and NG-CDF representative/ clerk of works. The cheques are only cleared after presentation of the bank payment schedule duly signed by the Fund Account Manager. Owing to some cases of non-adherence by PMCs to the set down guidelines, the NGCDF Committee approved the Fund Account Manager to be a mandatory Signatory on all PMC accounts which has greatly borne positive results.

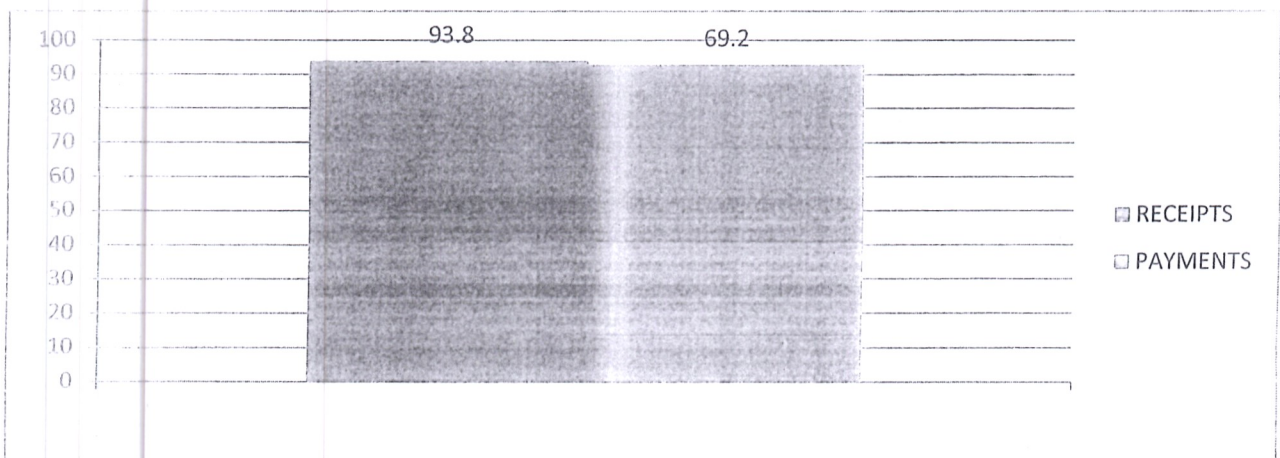
The committee was able to train the PMCs and contractors once more so as to ensure proper project implementation and accountability. All projects were implemented under full contract by use of already prequalified contractors by the Malava NG-CDFC or the National Government Sub County Procurement Units.



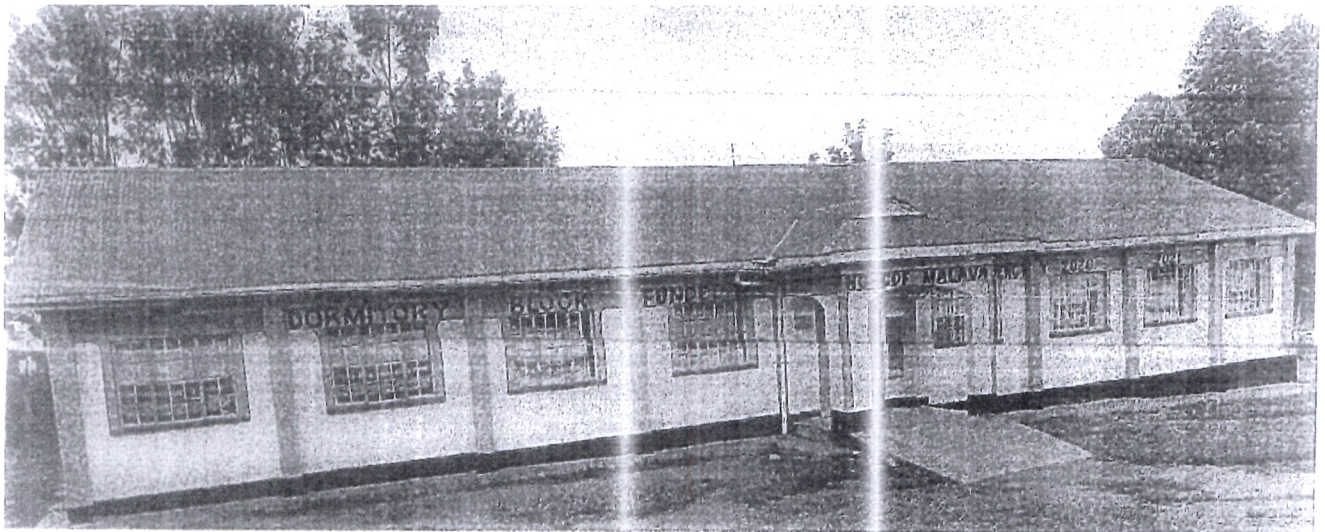
Graphical Representation of Expenditure in percentage



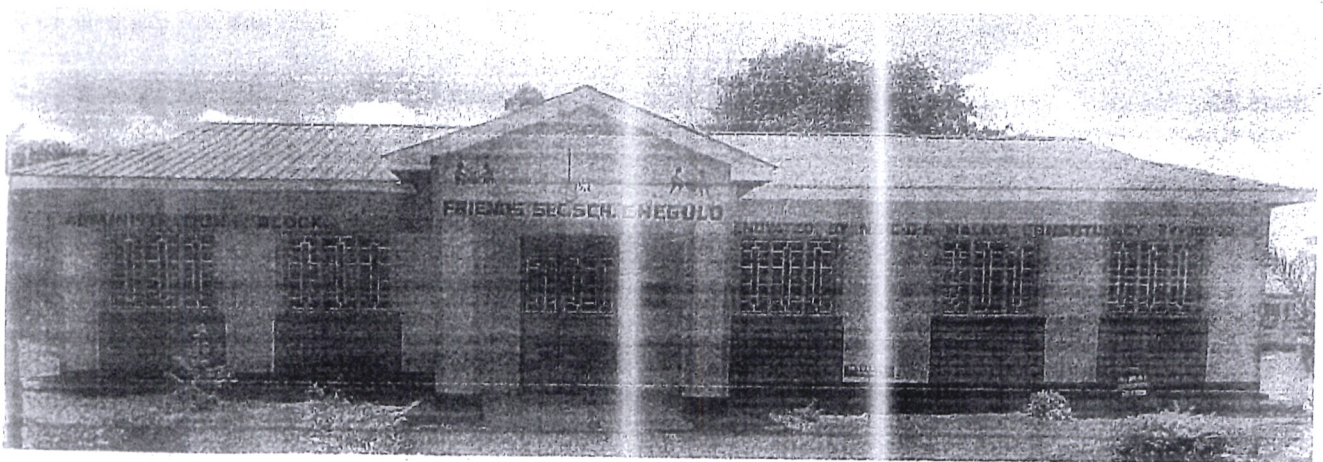
Graphical Representation of Receipts and Expenditure in percentage



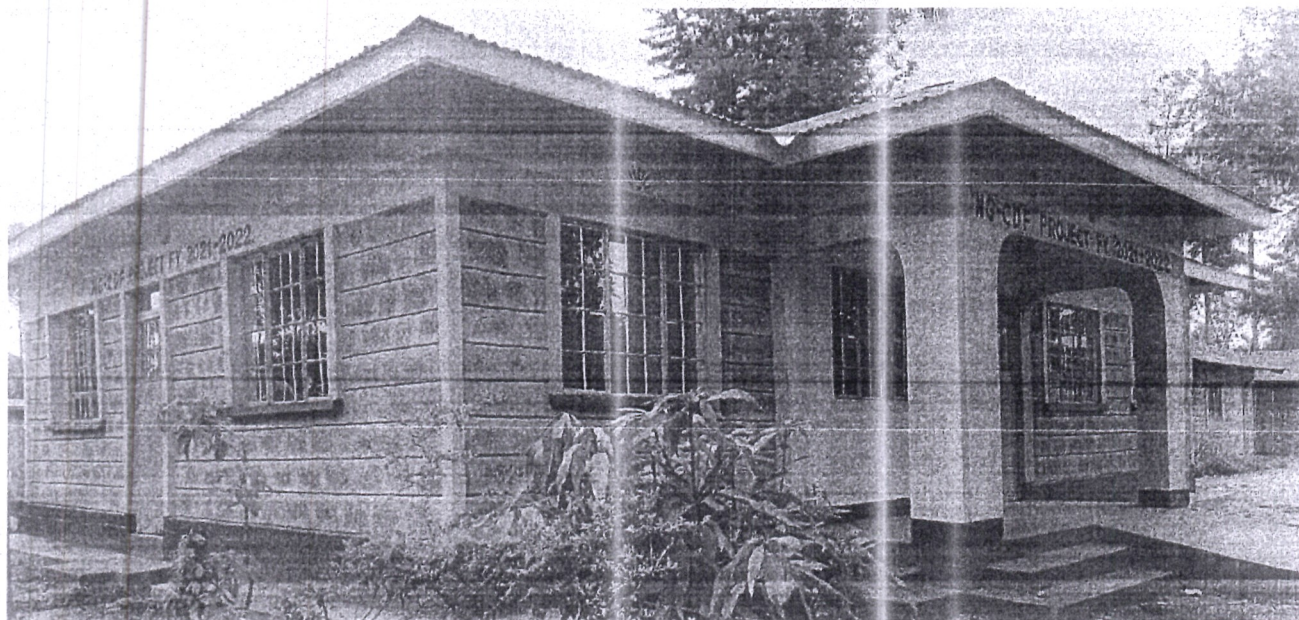
Best projects for the Financial Year 2021/2022



*Situngai Girls High School construction of Dormitory funded by Malava NGCDF Financial Year 2021/2022*



*Chegulo Secondary School construction of Administration Block funded by Malava NGCDF Financial Year 2021/2022*



Manguliro Primary School construction of Administration Block funded by Malava NGCDF  
Financial Year 2021/2022

#### **Emerging Issues**

1. Heavy rainfall in the constituency throughout the year making classroom roofs to be blown off by strong winds and pit latrines sinking.
2. Difficulty in accessing the projects due to poor roads as a result of the heavy rainfall and the wide area coverage
3. Very high population hence increased need for infrastructural developments in both the education and security sectors

#### **Implementation challenges**

1. Shortage of Public Works Officers in the County
2. Lack of sufficient financial and technical knowledge among the PMCs
3. Hostility of the locals demanding for jobs at the sites

#### **Remedies to the challenges**

1. Proper planning by the project implementers to ensure we share the scarce Technical personnel
2. Use of our Clerk of Works who has the relevant expertise to guide the PMCs
3. Conducting capacity building to the PMCs

  
.....  
**Festus Newton Mmasi**  
**CHAIRMAN NGCDF COMMITTEE**

### III. Statement of Performance Against Predetermined Objectives for FY2021/22

#### 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 *Malava Constituency 2018-2022* plan are to:  
*(Enumerate all the objectives of the constituency as per the Strategic Plan)*

#### Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve infrastructure in learning institutions and increase enrolment in schools	Increased number of classrooms in schools. Increased number of students joining Primary, secondary Schools and colleges	- Number of usable physical infrastructure built in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels	In FY 2021/2022 -we constructed 34 classrooms in Primary schools and 14 classrooms in Secondary schools, 4 Dormitories, 4 Administration Blocks, 2Twin Laboratories, a Library and Multipurpose Hall. -Bursary beneficiaries at all levels were as per the Annual Expenditure Returns

*Malava Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

Constituency Program	Objective	Outcome	Indicator	Performance
Security	To enable constituents access administrative and security services	Reduced crime rate in the constituency and increased access to Administrative services	- Number of police post and Chiefs/Administratio n offices	In FY 2021/2022 We constructed one chiefs office
Environment	To improve sanitation in schools and reduce environmental degradation	Improved sanitation in learning institutions	- Number of modern toilets constructed in schools	In FY 2021/2022 We constructed 5 modern toilets in schools
Sports	To enable youth in the constituency to be self-reliant	Increased sporting activities	- Sponsor an annual constituency sports tournament	In FY 2021/2022 We sponsored the best secondary schools soccer team in the County

#### IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Malava 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 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## 2. Environmental performance

Malava NG-CDF supported the students from various schools with seedlings for reforestation activities and Schools 4K clubs

## 3. Employee welfare

We invest in providing the best working environment for our employees. Malava 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. Malava 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-**

Malava 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 interest

#### **5. Community Engagements-**

Malava 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.



*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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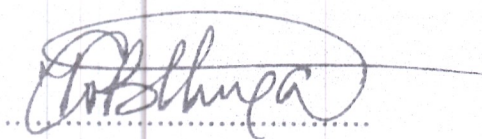
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



Collins Obuya

Fund Account Manager

## 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- Malava 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, 2022. 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- Malava 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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Malava 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.


*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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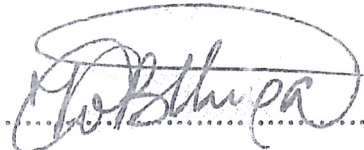
The Accounting Officer in charge of the NGCDF Malava Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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- Malava Constituency financial statements were approved and signed by the Accounting Officer on 20.09.2022.



.....  
Festus Newton Mmasi  
Chairman - NGCDF Committee



.....  
Collins Obuya  
Finance Account Manager

# REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MALAVA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

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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 the 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 - Malava Constituency set out on pages 1 to 46, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement

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*Report of the Auditor-General on National Government Constituencies Development Fund - Malava Constituency for the year ended 30 June, 2022*

of receipts and payments, statement of cash flows and 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 Fund - Malava Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy of Comparative Balance for Transfers from CDF Board**

The statement of receipts and payments reflects a comparative balance for transfers from NGCDF Board of Kshs.131,367,724. However, recasting of the individual balances as detailed in Note 1 to the financial statement results into a recomputed balance of Kshs.119,367,724. The variance of Kshs.12,000,000 has not been explained or reconciled.

In the circumstances, the accuracy and completeness of the comparative balance of Kshs.131,367,724 could not be confirmed.

#### **2. Inaccuracy of Other Grants and Payments Expenditure**

The statement of receipts and payments reflects an amount of Kshs.53,931,065 in respect of other grants and transfers which, as disclosed in Note 7 to the financial statements, includes Kshs.11,131,387 relating to emergency projects. The amount of Kshs.11,131,387 includes Kshs.1,191,052 paid to a local company for services rendered. However, the payment voucher provided for audit indicates an amount of Kshs.191,052. The resulting variance of Kshs.1,000,000 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.1,191,052 could not be confirmed.

#### **3. Overstatement of Expenditure on Use of Goods and Services**

The statement of receipts and payments and Note 5 to the financial statements reflects use of goods and services amount of Kshs.9,047,023. The amount includes Kshs.1,993,808 incurred on office and general supplies and services out of which Kshs.468,512 and Kshs.262,160 were incurred on supply and delivery of a copier machine and two HP pavilion laptops respectively. No explanation was provided on why the amounts were accounted for under use of goods and services instead of acquisition of assets.

In the circumstances, the expenditure on use of goods and services was overstated by Kshs.730,672 while expenditure on acquisition of assets was understated by the same amount.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Malava 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.

## **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. Transfers to Primary Schools**

The statement of receipts and payments and Note 6 to the financial statements reflects transfers to other Government units of Kshs.114,456,496 which includes amount of Kshs.56,753,936 transferred to primary schools. The amount of Kshs.56,753,936 includes Kshs.1,800,000 disbursed to Lunyelilia Primary School for purchase of 1 acre piece of land including processing of title deed at Kshs.800,000 and construction of one (1) classroom at Kshs.1,000,000. However, the title deed for the piece of land has not been obtained.

Further, audit inspection carried out on 21 March, 2023 revealed that the construction of the classroom was complete but was not in use. However, the floor had already developed cracks while the windows had no fasteners and the glasses had not been fitted. The wall paint was also peeling off.

In the circumstances, value for money was not obtained from the project.

#### **2. Project Implementation Status**

The project implementation status report as at 30 June, 2022 indicated that the Fund intended to implement seventy-four (74) projects with an allocation of Kshs.80,500,000 during the year under review. However, forty-four (44) or 59% of the projects with a total allocation of Kshs.35,300,000 were completed, seventeen (17) or 23% of the projects allocated Kshs.33,000,000 were on-going while thirteen (13) or 18% of the projects with a budget allocation of Kshs.12,200,000 had not been started.

No satisfactory explanation was provided on why the 17 projects had not been completed and why the other 13 projects had not been started.

In the circumstances, value for money was not obtained from the thirty (30) 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern 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's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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




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

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

I 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**

**19 June, 2023**

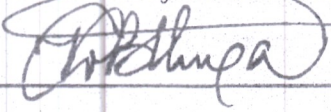
*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*


VII. Statement of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021	2022	2020-2021
		Kshs		Kshs
<b>Receipts</b>				
Transfers From NGCDF Board	1	170,088,879		131,367,724
Proceeds From Sale of Assets	2	-		-
Other Receipts	3	=		=
<b>Total Receipts</b>		<b>170,088,879</b>		<b>131,367,724</b>
<b>Payments</b>				
Compensation Of Employees	4	3,843,110		4,164,855
Use Of Goods and Services	5	9,047,023		8,835,926
Transfers To Other Government Units	6	114,456,496		67,739,771
Other Grants and Transfers	7	53,931,065		41,376,404
Acquisition Of Assets	8	-		-
Other Payments	9	=		=
<b>Total Payments</b>		<b>181,277,694</b>		<b>122,116,956</b>
<b>Surplus/(Deficit)</b>		<b>(11,188,815)</b>		<b>9,250,768</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 20.09. 2022 and signed by:

  
Fund Account Manager  
Collins Tasisio Obuya

  
National Sub-County  
Accountant  
Lencer Akoth Odira  
ICPAK M/No: 13306

  
Chairman NG-CDF Committee  
Festus Newton Mmasi

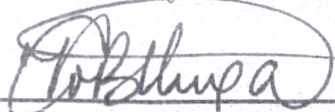
*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

VIII. Statement of Assets and Liabilities As At 30<sup>th</sup> June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	10A	2,154,031	13,342,846
Cash Balances (Cash at Hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>2,154,031</b>	<b>13,342,846</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>Total Financial Assets</b>		<b>2,154,031</b>	<b>13,342,846</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>Total Financial Liabilities</b>		<b>=</b>	<b>=</b>
<b>Net Financial Assets</b>		<b><u>2,154,031</u></b>	<b><u>13,342,846</u></b>
<b>Represented By</b>			
Fund Balance B/Fwd	13	13,342,846	4,092,078
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(11,188,815)	9,250,768
<b>Net Financial Position</b>		<b><u>2,154,031</u></b>	<b><u>13,342,846</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

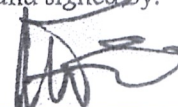
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Fund Account Manager  
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ICPAK M/No: 13306



Chairman NG-CDF Committee

Festus Newton Mmasi

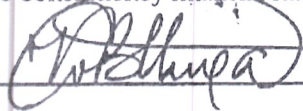
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National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*


IX. Statement of Cash Flows for the Year Ended 30th June 2022

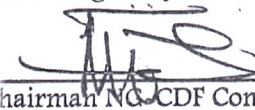
	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	170,088,879	131,367,724
Other Receipts	3	=	=
<b>Total Receipts</b>		<b>170,088,879</b>	<b>131,367,724</b>
<b>Payments</b>			
Compensation Of Employees	4	3,843,110	4,164,855
Use Of Goods and Services	5	9,047,023	8,835,926
Transfers To Other Government Units	6	114,456,496	67,739,771
Other Grants and Transfers	7	53,931,065	41,376,404
Other Payments	9	-	-
<b>Total Payments</b>		<b>181,277,694</b>	<b>122,116,956</b>
<b>Total Receipts Less Total Payments</b>		<b>(11,188,815)</b>	<b>9,250,768</b>
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	(-)
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>(11,188,815)</b>	<b>9,250,768</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(-)	(-)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>(11,188,815)</b>	<b>9,250,768</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>10</b>	<b>13,342,846</b>	<b>4,092,078</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>10</b>	<b>2,154,031</b>	<b>13,342,846</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 20.09.2022 and signed by:

  
Fund Account Manager  
Collins Tasisio Obuya

  
National Sub-County  
Accountant  
Lencer Akoth Odira  
ICPAK M/No: 13306

  
Chairman NGCDF Committee  
Festus Newton Mmasi

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

X. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c-%
	a	2021/2022	b	Previous Years' Outstanding disbursements				
<b>Receipts</b>								
Transfers From NGCDF Board	Kshs	137,088,879	Opening Balance (C/Bk) and AIA	Kshs	195,520,604	183,431,725	12,088,879	93.8%
Proceeds From Sale of Assets	-	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	-	0.0%
<b>Totals</b>		<b>137,088,879</b>	<b>13,342,846</b>	<b>45,088,879</b>	<b>195,520,604</b>	<b>183,431,725</b>	<b>12,088,879</b>	<b>93.8%</b>
<b>Payments</b>								
Compensation Of Employees		3,414,720			4,633,834	3,843,110	790,724	82.9%
Use Of Goods and Services		8,923,279		825,724	9,074,367	9,047,023	27,344	99.7%
Transfers To Other Government Units		80,500,000		39,763,155	126,545,375	114,456,496	12,088,879	90.4%
Other Grants and Transfers		44,250,880		4,500,000	55,246,917	53,931,065	1,315,852	97.6%
Acquisition Of Assets		0		-	20,111	-	20,111	0.0%
Other Payments		0		-	0	-	-	-
Funds Pending Approval**								
<b>Totals</b>		<b>137,088,879</b>	<b>13,342,846</b>	<b>45,088,879</b>	<b>195,520,604</b>	<b>181,277,694</b>	<b>14,242,910</b>	<b>92.7%</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.  
Explanatory Notes.

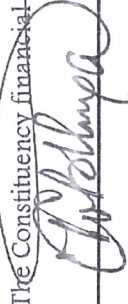


(a) (For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.)

*Malava Constituency  
 National Government Constituencies Development Fund (NGCDF)  
 Annual Report and Financial Statements for The Year Ended June 30, 2022  
 (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]*

*(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IFSAS 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.*

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
Description	Amount
Budget utilisation difference totals	14,242,910
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	(12,088,879)
Add Accounts payable	2,154,031
Less Accounts Receivable	-
Add/ Less Prior Year Adjustments	(-)
Cash and Cash Equivalents at the end of the FY 2021/2022	-
	<b>2,154,031</b>

The Constituency financial statements were approved on 20.09.2022 and signed by:

 Fund Account Manager Collins Tasisio Obuya	 Chairman NG-CDF Committee Festus Newton Mmasi
 National Sub-County Accountant Lencer Akoth Odira ICPAK M/No: 13306	

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**X. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization Difference Kshs
		Opening Balance (C/Fk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,414,720	393,390	825,724	4,633,834	3,843,110	790,724
1.2 Committee allowances	2,610,160			2,610,160	2,610,160	-
1.3 Use of goods and services	2,200,453	151,088		2,351,541	2,324,197	27,344
	8,225,333	544,478	825,724	9,595,535	8,777,467	818,068
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	500,000			500,000	500,000	-
2.2 Committee allowances	2,110,000			2,110,000	2,110,000	-
2.3 Use of goods and services	1,502,666			1,502,666	1,502,666	-
	4,112,666		-	4,112,666	4,112,666	-
<b>3.0 Emergency</b>						
3.1 Primary Schools	7,192,207		4,000,000	11,192,207	11,131,387	60,820
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
	7,192,207	-	4,000,000	11,192,207	11,131,387	60,820
<b>4.0 Bursary and Social Security</b>						

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
4.1 Primary Schools						
4.2 Secondary Schools	24,858,673			24,858,673	23,045,000	1,813,673
4.3 Tertiary Institutions	10,000,000	2,292,800	500,000	12,792,800	13,814,000	(1,021,200)
4.4 Social Security						
4.5 Special Needs	2,000,000	3,096,429		5,096,429	4,633,870	462,559
	36,858,673	5,389,229	500,000	42,747,902	41,492,870	1,255,032
5.0 Sports						
Lugusi Boys Secondary School		200,000		200,000	200,000	-
		200,000		200,000	200,000	-
5.3						
6.0 Environment						
Chevosso Secondary School.	200,000	199,608		399,608	399,608	-
	200,000	199,608	-	399,608	399,608	-
6.3						
7.0 Primary Schools Projects (List all the Projects)						
Bisunu Primary School.	700,000			700,000	700,000	-
Masungutsa Primary School.	300,000		1,600,000	1,900,000	1,900,000	-
Mukhungula Primary School.	200,000			200,000	200,000	-
Burundu Primary School.	1,000,000			1,000,000	-	1,000,000
Bwanga Primary School	1,000,000			1,000,000	748,941	251,059
Cheptuli Primary School.	1,000,000		900,000	1,900,000	1,900,000	-



*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Chiveli Primary School.	1,000,000			1,000,000	1,000,000	-
Fuvale Primary School.	300,000		600,000	900,000	854,995	45,005
Ikoli Primary School.	1,000,000			1,000,000	1,000,000	-
Indulusia Primary School.	1,000,000			1,000,000	1,000,000	-
Ingwe Primary School.	200,000			200,000	200,000	-
Isanjiro Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Shirulo Primary School.	1,000,000		800,000	1,800,000	1,800,000	-
Kakunga Primary School.	200,000			200,000	200,000	-
Kalenda Primary School.	1,000,000			1,000,000	-	1,000,000
Kokoyo Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Lugusi Primary School.	7,300,000			7,300,000	4,000,000	3,300,000
Luhokho Primary School.	1,800,000			1,800,000	800,000	1,000,000
Lukala Primary School.	200,000			200,000	200,000	-
Luuyellia Primary School.	1,800,000			1,800,000	1,450,000	350,000
Lurale Primary School.	700,000			700,000	700,000	-
Lusumu Primary School.	900,000			900,000	-	900,000
Mahusi Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Makache Primary School.	900,000			900,000	-	900,000
Malichi Primary School.	900,000			900,000	-	900,000
Malichi Primary School.	500,000			500,000	500,000	-
Misimo Primary School.	2,000,000			2,000,000	2,000,000	-

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National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
Mukhuyu Primary School.	300,000			300,000	300,000	-
Mukoko Primary School.	900,000			900,000	-	900,000
Munanga Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Muriola Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Musidi Primary School.	400,000		100,000	500,000	500,000	-
Musungu Primary School.	900,000			900,000	-	900,000
Mutingongo Primary School.	900,000			900,000	-	900,000
Mutoto Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Namagara Primary School.	1,000,000			1,000,000	1,000,000	-
Namanja Primary School.	900,000			900,000	-	900,000
Namatata Primary School.	200,000			200,000	200,000	-
Namushiya Primary School.	700,000			700,000	700,000	-
Sawawa Primary School.	900,000			900,000	-	900,000
Shanda Primary School.	350,000			350,000	350,000	-
Sharambatsa Primary School.	1,000,000			1,000,000	1,000,000	-
Sheywe Primary School.	900,000			900,000	900,000	-
Shilongo Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Shivanga Primary School.	750,000		600,000	1,350,000	1,350,000	-
Tande Primary School.	1,000,000			1,000,000	1,000,000	-
Teresia Primary School.	1,000,000		900,000	1,900,000	1,900,000	-
Tumbereni Primary School.	200,000			200,000	200,000	-

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening balance (C/Bk) and AIA					
Vashele Primary School.	900,000				900,000	-	900,000
Wavoka Primary School.	1,000,000			900,000	1,900,000	1,900,000	-
Makhwabuye Pri. School				900,000	900,000	900,000	-
Shivikhwa Pri. School				650,000	650,000	650,000	-
Lukova Pri. School				550,000	550,000	550,000	-
Chombeli Primary School				1,800,000	1,800,000	1,800,000	-
Manguliro Primary School	500,000			4,000,000	4,500,000	4,500,000	-
Lukhokho Primary School				1,600,000	1,600,000	1,600,000	-
Samitsi Special School				1,000,000	1,000,000	1,000,000	-
<b>Total</b>	<b>48,600,000</b>	<b>-</b>	<b>-</b>	<b>23,200,000</b>	<b>71,800,000</b>	<b>56,753,936</b>	<b>15,046,064</b>
<b>8.O Secondary Schools Projects (List all the Projects)</b>							
Matete Secondary School.	1,500,000				1,500,000	1,500,000	-
Matioli Secondary School	1,500,000				1,500,000	1,500,000	-
Shiandiche Secondary School.	1,000,000				1,000,000	1,000,000	-
Chegulo Secondary School.	1,500,000				1,500,000	1,500,000	-
Chevosso Secondary School.	1,000,000	280,710		963,155	2,243,865	2,011,739	232,126
Kakunga Girls Secondary School.	3,000,000				3,000,000	3,000,000	-
Kalenda Girls Secondary School.	1,000,000				1,000,000	1,000,000	-
Lukala Secondary School.	1,000,000	900,000			1,900,000	1,900,000	-
Lukume Secondary School.	350,000				350,000	350,000	-

*Malava Constituency*

*National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
Lunyinya Mixed Secondary School.	1,000,000			1,000,000	1,000,000	-
Mache Secondary School.	700,000	1,200,000		1,900,000	1,874,112	25,888
Manyonje Secondary School.	2,000,000			2,000,000	1,776,580	223,420
Matete Secondary School.	1,350,000			1,350,000	1,350,000	-
Maynge Secondary School .	800,000			800,000	800,000	-
Namanja Secondary School.	3,000,000			3,000,000	3,000,000	-
Namatata Girls Secondary School.	100,000			100,000	100,000	-
Samitsi Girls Secondary School.	1,000,000			1,000,000	1,000,000	-
Shamberere Boys Secondary School.	2,950,000			2,950,000	2,950,000	-
Shihorne Girls Secondary School	1,100,000			1,100,000	1,100,000	-
Silungai Girls Secondary School.	2,950,000			2,950,000	2,950,000	-
Tombo Secondary School.	2,950,000			2,950,000	2,950,000	-
Bukhakunga Secondary School			5,200,000	5,200,000	6,500,000	(1,300,000)
Bulupi Secondary School			5,200,000	5,200,000	6,500,000	(1,300,000)
Kakoyi Secondary School			5,200,000	5,200,000	6,500,000	(1,300,000)
Kimangezi Girls Secondary School.		1,600,000		1,600,000	1,600,000	-
Matsakha Secondary School		200,000		200,000	200,000	-
<b>Total</b>	<b>31,750,000</b>	<b>4,180,710</b>	<b>16,563,155</b>	<b>52,493,865</b>	<b>55,912,431</b>	<b>(3,418,566)</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
KMTC Malava.	150,000	2,101,510		2,251,510	1,790,129	461,381
<b>Total</b>	<b>150,000</b>	<b>2,101,510</b>	<b>-</b>	<b>2,251,510</b>	<b>1,790,129</b>	<b>461,381</b>

*Malaya Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget-utilization Difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
9.3						
10.0 Security Projects						
Kuvasali Police Post		707,200		707,200	707,200	-
Total	-	707,200	-	707,200	707,200	-
10.3						
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers	-	20,111		20,111		20,111
11.5 Purchase of land	-	20,111	-	20,111		20,111
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**						
Total	137,088,879	13,342,846	45,088,879	195,520,604	181,277,694	14,242,910

(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

#### 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-Malava 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.

*Significant Accounting Policies continued*

**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.

*Significant Accounting Policies continued*

**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.



*Significant Accounting Policies continued*

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.

*Significant Accounting Policies continued*

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.

*Significant Accounting Policies continued*

**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 xx June 20xx for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 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 2022.

*Significant Accounting Policies continued*

**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.

## XII. Notes to the Financial Statements

## 1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
AIE NO. B 096905		5,000,000
AIE NO. B 104636		20,000,000
AIE NO. A 823671		14,367,724
AIE NO. B 124600		9,000,000
AIE NO. B 119554		8,500,000
AIE NO. B 119944		12,000,000
AIE NO. B 128187		6,900,000
AIE NO. B 128499		7,000,000
AIE NO. B 132242		6,000,000
AIE NO. B 138910		12,000,000
AIE NO. B 126204		7,000,000
AIE NO. B 126499		11,600,000
AIE NO. B 140993	33,000,000	
AIE NO. B 105660	44,000,000	
AIE NO. B 105855	22,000,000	
AIE NO. B 128605	5,000,000	
AIE NO. B 128917	12,000,000	
AIE NO. B 154114	12,000,000	
AIE NO. B 164448	18,000,000	
AIE NO. B 155879	24,088,879	
TOTAL	170,088,879	131,367,724

*Malava Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

*Notes To the Financial Statements (Continued)*

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	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	-	-
Others (specify)		
<b>Total</b>	<b>-</b>	<b>-</b>

3. Other Receipts

	2021-2022	2020-2021
	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>	<b>-</b>	<b>-</b>

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,431,560	2,463,440
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	35,000	35,000
Gratuity to contractual employees	1,040,670	1,457,975
Employer Contributions Compulsory national social security schemes	335,880	208,440
<b>Total</b>	<b>3,843,110</b>	<b>4,164,855</b>

*Mtshana Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

*Notes To the Financial Statements (Continued)*

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	308,420	351,897
Communication, supplies and services	363,378	308,840
Domestic travel and subsistence	1,573,000	2,119,100
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	517,980	514,890
Other committee expenses	330,860	816,570
Committee allowance	1,828,000	1,201,500
Insurance costs	45,243	-
Specialized materials and services	-	-
Office and general supplies and services	1,993,808	1,974,076
Fuel, oil & lubricants	1,000,000	750,000
Other operating expenses	319,975	232,550
Routine maintenance – vehicles and other transport equipment	413,264	383,383
Routine maintenance – other assets	353,095	183,120
<b>Total</b>	<b>9,047,023</b>	<b>8,835,926</b>

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022  
Notes To The Financial Statements (Continued)*

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	56,753,936	37,699,315
Transfers To Secondary Schools (See Attached List)	55,912,431	28,341,966
Transfers To Tertiary Institutions (See Attached List)	1,790,129	1,698,490
Total	114,456,496	67,739,771

7. Other Grants and Other transfers

Description	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	25,045,000	27,358,000
Bursary – tertiary institutions (see attached list)	13,814,000	5,474,702
Bursary – special schools (see attached list)	4,633,870	3,023,702
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	707,200	750,000
Sports projects (see attached list)	200,000	-
Environment projects (see attached list)	399,608	-
Emergency projects (see attached list)	11,131,387	4,770,000
Total	53,931,065	41,376,404

8. Acquisition Of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase 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	-	-
Acquisition of Land	-	-
Total	-	-

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>	-	-
<i>Cooperative Bank of Kenya, Kakamega Branch, KES</i>	2,154,031	13,342,846
<b>Total</b>	<b>2,154,031</b>	<b>13,342,846</b>
<b>10 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>



*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

*Notes to the Financial Statement Continued*

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
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	-	-

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	393,390	-
Gratuity held during the year (B)	647,280	-
Gratuity paid during the Year (C)	1,040,670	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	13,342,846	4,092,078
Cash in hand		
Imprest		
Total	13,342,846	4,092,078

## 14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	(-)	-	(-)
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
Total	-	-	-

## 15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	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	-	-
Changes in Account Receivables E= D-A	-	-

## 16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	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	-	-
Changes in Accounts Payable E= D-E	-	-

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

*Notes to the Financial Statements (Continued)*

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	790,724	1,219,114
Use of goods and services	27,344	151,088
Amounts due to other Government entities (see attached list)	12,088,879	33,040,900
Amounts due to other grants and other transfers (see attached list)	1,315,852	24,000,512
Acquisition of assets	20,111	20,111
Funds pending approval	-	-
Total	14,242,910	58,431,725

*Makindu Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	1,244,584	7,351,363
Total	1,244,584	7,351,363

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**Annexes  
Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

*Malava Constituency  
 National Government Constituencies Development Fund (NGCDF)  
 Annual Report and Financial Statements for The Year Ended June 30, 2022  
 Annex 2 - Analysis of Pending Staff Payables*

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of staff salaries	790,724	1,219,114	
Use of goods & services	Purchase of goods and services	27,344	151,088	
<b>Amounts due to other Government entities</b>				
Bwanga Primary School	Completion of 1 classroom	251,059		
Fuvale Primary School	Completion of 1 classroom	45,006		
Lugusi Primary School	Ongoing construction of 8 classroom storey building	3,300,000		
Lunyelelia Primary School	Completion of 1 classroom	350,000		
Makache Primary School	Renovation of 2 classrooms	900,000		
Malichi Primary School	Renovation of 2 classrooms	900,000		
Mukoko Primary School	Renovation of 2 classrooms	900,000		
Musungu Primary School	Renovation of 2 classrooms	900,000		
Mutingongo Primary School	Renovation of 2 classrooms	900,000		
Namanja Primary School	Renovation of 2 classrooms	900,000		
Sawawa Primary School	Renovation of 2 classrooms	900,000		
Vashele Primary School	Renovation of 2 classrooms	900,000		
Chevoso Secondary School	Completion of 1 classroom	232,126		
Mache Secondary School	Completion of 1 classroom	25,888		

**Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Manyorje Secondary School	Completion of 1 classroom	223,420		
KMTC Malava	Completion of 2 classrooms	461,381		
<b>Sub-Total</b>		12,088,879	50,540,900	
<b>Amounts due to other grants and other transfers</b>				
Emergency	To cater for unforeseen occurrences	60,820		
Bursary	Payment of bursary to needy students	1,255,032		
<b>Sub-Total</b>		1,315,852	6,500,512	
Acquisition of assets	Purchase of Fixed Assets	20,111	20,111	
<b>Sub-Total</b>		20,111	20,111	
Funds pending approval				
<b>Grand Total</b>		14,242,910	58,431,725	



*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 4 – Summary of Fixed Asset Register

ASSET CLASS	Historical Cost (Kshs)	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
<b>Land and Buildings</b>					
Land		400,000	-	-	400,000
Buildings and structures		19,244,660	-	-	19,244,660
	<b>Sub-Total</b>	<b>19,644,660</b>	-	-	<b>19,644,660</b>
<b>Transport equipment</b>					
Land Rover (Defender) - 110		4,468,950	-	-	4,468,950
Toyota Land Cruiser		6,158,753	-	-	6,158,753
	<b>Sub-Total</b>	<b>10,627,703</b>	-	-	<b>10,627,703</b>
<b>Office equipment, furniture and fittings</b>					
4 Drawer Steel Cabinets		9,500	-	-	9,500
4 Drawer Steel Cabinets		9,500	-	-	9,500
4 Drawer Steel Cabinets		9,500	-	-	9,500
4 Drawer Steel Cabinets		9,500	-	-	9,500
4 Drawer Steel Cabinets		9,500	-	-	9,500
4 Drawer Steel Cabinets		9,500	-	-	9,500
4 Drawer Steel Cabinets		9,500	-	-	9,500

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

ASSET CLASS	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
4 Drawer Steel Cabinets	9,500	-	-	9,500
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
Computer Table-CD 209	8,120	-	-	8,120
Computer Table-CD 209	8,120	-	-	8,120
Computer Table-CD 808	8,745	-	-	8,745
Conference Tables	12,000	-	-	12,000
Conference Tables	12,000	-	-	12,000
Executive Office Chairs With Arms	27,000	-	-	27,000
Executive Office Chairs With Arms	27,000	-	-	27,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

ASSET CLASS	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Ordinary Office Desk - Double Drawers	9,000	-	-	9,000
Ordinary Office Desk - Single Drawer	5,000	-	-	5,000
Plastic Chairs	58,000	-	-	58,000
Plastic Chairs	63,500	-	-	63,500

**Malava Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

ASSET CLASS	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Secretary Chair	5,370	-	-	5,370
Tables with Drawers	2,000	-	-	2,000
Tables with Drawers - One sided 3 drawers	3,000	-	-	3,000
Tables with Drawers - One sided 3 drawers	3,000	-	-	3,000
Tables with Drawers - Two sided 3 drawers	3,000	-	-	3,000
<b>Sub-Total</b>	<b>407,840</b>	<b>-</b>	<b>-</b>	<b>407,840</b>
<b>ICT Equipment, Software and Other ICT Assets</b>				
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Acer LCD Projector 4000mm	50,000	-	-	50,000
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550

*Malava Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

ASSET CLASS	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Epson Printer L210	24,999	-	-	24,999
HP Desktop Pro PCI MT	NG - CDF Board	-	-	NG - CDF Board
HP ProDesk 400	50,000	-	-	50,000
Kyocera Mita TK Copier	268,500	-	-	268,500
Laptop -HP 530	65,000	-	-	65,000
Laptop HP15	78,880	-	-	78,880
Laptop HP15	78,880	-	-	78,880
Laptop-Hp Intel Core i3	90,000	-	-	90,000
Laptop-Hp Intel Core i3	90,000	-	-	90,000
Printer - HP Deskjet 1015	7,000	-	-	7,000
Printer - HP Laserjet P2055	NG - CDF Board	-	-	NG - CDF Board
Printer - HP Laserjet P2055d	24,999	-	-	24,999
Printer - Xcess	93,280	-	-	93,280
Printer Laserjet Pro 400	29,000	-	-	29,000

**Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

ASSET CLASS	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Scan Jet Hp 5590	NG - CDF Board	-	-	NG - CDF Board
<b>Other Machinery and Equipment</b>	<b>1,829,808</b>	-	-	<b>1,829,808</b>
L.G Fridge	59,995	-	-	59,995
Hot Cold Dispenser	16,395	-	-	16,395
Lawn Mower	76,845	-	-	76,845
Ramtons Dispenser Fridge	19,295	-	-	19,295
Disiel Generator - 4KVA	346,308	-	-	346,308
<b>Grand Total</b>	<b>518,838</b>	-	-	<b>518,838</b>
	<b>33,028,849</b>	-	-	<b>33,028,849</b>

**Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022  
Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
Bisunu Primary School	Co-operative	01139167272600	30-05-12	11,150	84
Bukhakunga Secondary School	Co-operative	01139098255202	20-04-09	3,000	3,000
Bulupi Primary School	Co-operative	01139098494701	03-04-09	1,205	1,205
Bulupi Secondary School	Co-operative	01139098113302	25-02-10	2,673	2,673
BunuKu Primary School	Co-operative	01139098489001	15-05-10	1,000	1,000
Burundu Chief's Office	Co-operative	01141804813500	09-07-19	746	746
Chegulo Primary School	Co-operative	01139411334600	02-05-12	1,710	1,710
Chemuche Chief's Office	Co-operative	01141804813400	09-07-19	1,845	1,845
Cheptuli Primary School	Co-operative	01139610730300	23-11-15	36,137	2,022
Chesero Primary School	Co-operative	01139652381700	26-05-16	9,022	9,022
Chimoroni Primary School	Co-operative	01139166903700	13-10-11	1,053	1,053
Chimoroni Secondary School	Co-operative	01139098227403	12-02-10	72,250	72,250
Chombeli Primary School	Co-operative	01139166704300	30-05-11	5,437	427
Fubuye Primary School	Co-operative	01139098489904	26-03-14	2,906	2,906
Fuvale Primary School	Co-operative	01139098495400	30-06-08	2,000	2,000
Isanjiro Girls Secondary School	Co-operative	01139545084603	15-09-14	3,366	107,974
Isanjiro Primary School	Co-operative	01139166058301	19-04-12	33,445	4,745
Kakoyi Primary School	Co-operative	01139098489101	19-02-14	1,040	8,040

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
Kimangeiti Girls Secondary School	Co-operative	01139098259003	14-05-20	1,573	74,249
Kimangeiti Primary school	Co-operative	01139098483501	10-10-12	709	709
Kokoyo Primary School	Co-operative	01139804719600	09-05-19	4,083	1,120
Kuvasali Police Post	Co-operative	01141804538400	04-01-19	972	310,872
Kuvasali Secondary School	Co-operative	01139098227002	19-07-10	57	57
Lukala Primary School	Co-operative	01139098495601	07-06-12	1,643	19,343
Lukhokho Primary School	Co-operative	01139167319400	04-07-12	454	2,354
Lunyu Primary School	Co-operative	01139167562200	01-11-12	1,544	1,554
Lurale Primary School	Co-operative	01139098491000	30-06-08	14,948	3,250
Lusumu Primary School	Co-operative	01139631203400	09-09-14	2,523	138,360
Lutali Primary School	Co-operative	01139631045900	04-07-14	1,789	905,413
Lwanda K Secondary School	Co-operative	01139098255502	19-09-12	214,846	503,429
Mahira Primary School	Co-operative	01139098495001	02-03-10	3,320	3,319
Mahira Secondary School	Co-operative	01139098142302	25-06-19	126,947	352,960
Mahtusi Primary School	Co-operative	01139098495901	24-05-12	88,961	2,060
Makhwabuye Primary School	Co-operative	01139098490601	01-11-12	1,093	902,678
Malava Boys Secondary School	Co-operative	01139098141202	07-09-11	68,684	61,557
Malava Primary School	Co-operative	01139098492502	24-10-11	1,011	12,156
Malichi Primary School	Co-operative	01139098489602	12-01-17	10,818	1,798



*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
Malimali Primary School	Co-operative	01139098493000	01-07-08	1,490	1,490
Manda Secondary School	Co-operative	01141804798500	28-06-19	1,341	18,341
Manguliro Primary School	Co-operative	01139098493601	20-04-12	824	1,810
Masungutsa Primary School	Co-operative	01139804719900	10-05-19	1,067	1,003
Matende Primary School	Co-operative	01139098493401	02-04-09	1,000	1,000
Matete Primary School	Co-operative	01139435276700	19-09-12	2,973	4,048
Matete Secondary School	Co-operative	01141098255300	11-07-19	1,566	1,012,446
Matioli K Primary School	Co-operative	01139167483600	12-10-12	213	71,190
Matioli K Secondary School	Co-operative	01141631086500	16-09-14		50,213
Mugai Secondary School	Co-operative	01139098254702	01-02-12	11,180	1,200
Mukangu Primary School	Co-operative	01141165784700	28-07-17	2,398	2,398
Mukavakava Primary School	Co-operative	01139098488101	26-03-09	1,500	1,000
Mukhungula Primary School	Co-operative	01139098490900	30-06-08	1,000	1,000
Mukhuyu Primary School	Co-operative	01139166939000	18-11-11	3,024	3,024
Mukoko Primary School	Co-operative	01139632431400	12-07-16	5,108	27,849
Mukongolo Primary School	Co-operative	01139098423001	10-03-12	3,700	3,700
Munanga Primary School	Co-operative	01139165154700	23-06-09	983	6,553
Muriola Primary School	Co-operative	01139632796400	27-04-17	84,276	1,878
Musidi Primary School	Co-operative	01139167273900	31-05-12	431	5,223

*Malawi Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
Mutoto Primary School	Co-operative	01141165007200	09-06-14	74,580	75,060
Mutsuma Primary School	Co-operative	01139098486300	03-07-08	1,630	88,548
Mutsuma Secondary School	Co-operative	01139098350503	17-10-11	42,939	93,059
Namatala Primary School	Co-operative	01139609943600	29-11-14	9,875	5,596
Namushiya Primary School	Co-operative	01139098486101	07-09-09	2,400	2,400
Namushiya Secondary School	Co-operative	01139098232402	20-07-10	5,552	5,672
Samitsi Primary School	Co-operative	01139098486200	02-07-08	17,189	17,189
Sawawa Secondary School	Co-operative	01139631376400	03-12-14	1,157	1,157
Shamoni Secondary School	Co-operative	01139098143202	04-03-10	3,726	3,726
Shanda Primary School	Co-operative	01139167273100	30-05-14	75,679	136,835
Sheywe Primary School	Co-operative	01141804848300	31-07-19	27,956	341
Shilongo Primary School	Co-operative	01139631648302	07-06-17	9,273	9,273
Shivanga Chiefs Office	Co-operative	01141805176200	05-03-20	34,878	529,426
Shivanga Primary School	Co-operative	01139098492002	04-05-16	9,275	9,275
Shivanga Secondary School	Co-operative	01139098254901	11-05-12	5,356	900,975
Shivikwa Primary School	Co-operative	01139098495300	07-07-08	1,000	1,000
Silungai Boys Secondary School	Co-operative	01139098261801	14-04-09	13,687	197,618
Silungai Primary School	Co-operative	01139435339101	15-10-12	21,510	4,174
St. Martin Primary School	Co-operative	01139435276000	19-09-12	6,981	119

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
St. Monica Namatala Girls	Co-operative	01139631104304	28-05-15	336	838
Teresia Primary School	Co-operative	01139167461600	20-09-12	540	1,759
Tumbeni Primary School	Co-operative	01139098495501	16-07-09	1,680	1,009
Tumbeni Secondary School	Co-operative	01139631019703	21-09-15	13,786	13,786
Wavoka Primary School	Co-operative	01139098495200	07-07-08	3,171	517,222
<b>Total</b>				<b>1,244,584</b>	<b>7,351,363</b>

*Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**Annex 6: 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)
	<p><b>1. Project Management Committee (PMC) Bank Account Balances</b></p> <p>Note 17.4 to the financial statements reflects project management committee bank account balances amounting to Kshs.1,380,523 as at 30 June 2020 as detailed in annexure 4 to the financial statements. However, the bank reconciliation statements, cashbooks together with certificate of bank balances were not availed for audit review.</p> <p>Consequently, the accuracy and validity of the project management committee balance of Kshs.1,380,523 as at 30 June 2020 could not be confirmed.</p>	<p>It is true that evidence supporting the PMC account balances was not availed during the audit. However, the Bank certificates of balances have now been availed for audit review.</p>	Resolved	
	<p><b>1. Budget Control and Performance</b></p> <p>During the year under review, the Fund had an approved budget of Kshs. 140,910,372 for both recurrent and development. During the same period, the Fund recorded total expenditure of Kshs. 97,450,570 representing 69% of the budget resulting to an under expenditure of Kshs 43,459,802 or 31%</p>	<p>It is true that there was underutilisation of the budgeted amounts as per approved plan because of failure by the NGCDF Board to disburse funds in time.</p>	Resolved	
	<p><b>2. Projects Implementation Status</b></p> <p>According to the Projects Implementation Status (PIS) report as at 30 June 2020, the Fund had planned to implement sixty eight (68) projects at a cost of Kshs. 145,004,629 and which exceeds the approved budget for 2019/2020 of Kshs.140,910,372</p>	<p>It is true that at the time of audit, 9 projects were still ongoing and 24 projects had not started. This was as a result of delayed</p>	Resolved	

**Malava Constituency**

**National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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>According to the PIS, as at 30 June 2020, thirty five (35) projects costing Kshs.59,600,000 had been completed, nine (9) projects costing Kshs.60,804,629 were ongoing and at various levels of completion while twenty four (24) projects costing Kshs.24,600,000 had not commenced and no reason was provided as to why the same had not commenced.</p> <p>Non-implementation of projects as planned is an indication that the residents of Malava Constituency did not receive the services they are entitled to.</p>	<p>disbursement of funds by the NGCDF Board. The funds were received after the financial year and all projects have been completed and in use apart from three projects which are still waiting for their final disbursement from the Board. However, the three projects are 75% complete</p>		
	<p><b>Basis for Conclusion</b></p> <p><b>Construction of 200 Bed Capacity Dormitory-Lwanda K. Secondary School</b></p> <p>Included in transfers to secondary schools amount of Kshs.31.1Million as disclosed in note 4 to the financial statements, is a total amount of Ksh.2,400,000 that was disbursed to Lwanda K. Secondary School in respect to construction of 200 bed capacity Dormitory during financial year 2019/2020. The contract was awarded to a local construction company for a contract sum of Kshs.4,495,335. As at the time of audit in February 2021, although the building was indicated complete, the floor and walls had cracks an indication of poor workmanship and there was no evidence that the contractor had been asked to make good. In addition, the BQs had provisional sums totalling Kshs.510,000 and which there was no documentary evidence on how the same had been accounted for by the contractor contrary to the</p>	<p>It is true that the floor and walls had cracks. The contractor has been recalled to rectify the defects but due to the on going national examinations he committed to resume at the end of the examinations in April 2021. It is also important to note that his retention fee has not been paid until he makes good the defects. It is true that at the time of audit no summary of the</p>	Resolved	


**Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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>provisions of Section 150 (1) of the Public Procurement and Asset Disposal act, 2015 which requires the accounting officer or his/her appointed representative to be responsible for ensuring that the goods, works and services are of the right quality and quantity.</p> <p>The management in therefore in breach of the law and the residents of Malava Constituency did not receive value for Kshs.4,495,335 incurred on the project.</p>	<p>provisional sum of Ksh.510,000 was provided. However, Ksh.210,000 was meant for PMC administration and supervision whereas Ksh.300,000 was meant for electrical works</p>		
	<p><b>1. Other Grants and Transfers</b></p> <p>Included in other grants and transfers is amount of Kshs.27,083,387 as disclosed in note 5 to the financial statements, are amounts totaling to Kshs.2,200,000 disbursed to Shivanga Chiefs office and MandalaSecondary School towards construction of chief's office and 3, no classrooms respectively. The following anomalies were noted during audit: -</p>	<p><b>Shivanga Chief's Office</b></p> <p>It is true that the Inspection and Acceptance Reports for these projects were not availed for audit review but we hereby provide Certificate of Practical Completion for your review. The contractor is currently on site to fix the defects before he is paid his balance and retention fee.</p> <p><b>Manda Secondary School</b></p> <p>It is true that the Inspection and Acceptance Reports for these projects were not availed for audit review but</p>	Resolved	

Date	P.V NO.	Payee	Description	Amount (Kshs)	Observations
3/6/2020	201	Shivanga Chiefs Office	Construction of Chiefs office and 4 door pit latrines	1,700,000	1. No inspection and acceptance report from relevant authorities 2. Floors and walls had cracks,

**Malava Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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)										
	<table border="1"> <tr> <td></td> <td></td> <td>the ceiling cornice was poorly fixed.</td> <td></td> <td></td> </tr> <tr> <td>23/3/2020</td> <td>457 Mandary Second ary Constructio n of 3no. Classrooms to completion</td> <td>500,000 Classrooms to completion</td> <td></td> <td></td> </tr> </table>			the ceiling cornice was poorly fixed.			23/3/2020	457 Mandary Second ary Constructio n of 3no. Classrooms to completion	500,000 Classrooms to completion			<p>we hereby provide Certificate of Practical Completion for your review .</p> <p>The classrooms were completed and put into use a year ago. However, it is important to note that after the recommended six (6) months after completion of the project, there were no cracks. Hence the cracks were due to wear and tear as a result of the continued usage since the facility had been in use for more than a year as at the time of audit.</p>		
		the ceiling cornice was poorly fixed.												
23/3/2020	457 Mandary Second ary Constructio n of 3no. Classrooms to completion	500,000 Classrooms to completion												
	<p>This is contrary to the provisions of Section 150 (1) of the Public Procurement and Asset Disposal act, 2015 which requires the accounting officer or his/her appointed representative to be responsible for ensuring that the goods, works and services are of the right quality and quantity. Consequently, the management breached the law.</p>													

  
 .....  
 Collins Obuya  
 Fund Account Manager.