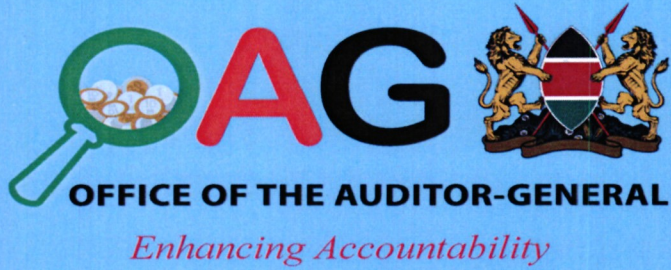


REPUBLIC OF KENYA



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## REPORT

OF

## THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

ON

DATE: 02, AUG 2023

DAY:

WED

TABLED  
BY:

Hon. Naomi Wago  
Deputy Majority Whip

CLERK-AT  
THE-TABLE:

Finlays Mumbi

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2022

COPY



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**TESO NORTH 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)

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## I. Key Constituency Information and Management

### (a) Background information

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

### **Mandate**

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

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

### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

The Teso North 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	Mr. Lemarimpe Parsumpat
2.	Sub-County Accountant	CPA Michael O. Ogolla
3.	Chairman NGCDFC	Mr. William Okalio
4.	Member NGCDFC	Ms. Mary Wanjiru Karanja

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 255-50408  
NG-CDF Complex  
Nairobi-Uganda Highway  
Kamuriai, KENYA

**(f) Teso North Constituency NGCDF Contacts**

Telephone: (254) 724365797  
E-mail: [cdftesonorthconstituency@ngcdf.go.ke](mailto:cdftesonorthconstituency@ngcdf.go.ke)  
Website: [www.cdftesonorthconstituency.go.ke](http://www.cdftesonorthconstituency.go.ke)

**(g) Teso North Constituency NGCDF Bankers**

Equity Bank Kenya Limited  
Kamuriai Branch  
A/C No. 1050278831272  
P O Box 247-50408  
Kamuriai Kenya.

**(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



**Mr. William Okalio.**

On behalf of Teso North NG-CDF Committee and staff, I am profoundly glad in presenting the FY 2021/2022 annual report and financial statements for the fund.

Teso North NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of Teso

North constituency and ensure that all approved projects meet the requirements of sec 24 of the NG-CDF Act 2015, Capacity building of the project management committees (Pmc`s), monitoring and evaluation of the funded projects. As per the provisions of the NGCDF Act 2015(as amended in 2016), this was achieved mainly through timely disbursement of received funds to the project management committees (Pmc), projects monitoring and regular ngcdf committee meetings.

Teso North NG-CDF committee registered exemplary performance in the year under review as demonstrated by implementation of projects, programmes and activities in the sectors of Education, security, sports and environment which fall within the mandate of the Fund established by the NGCDF ACT 2015(as amended in 2016).

The fund augmented the national government's infrastructure development in education sector through construction, renovation and equipping of schools.

In detail, NG-CDF Teso North has been able to achieve the following during the financial year;

A total of 39 classrooms, 4 dormitories, 3 laboratories, 4 administration blocks 3 teacher houses, 2 dining halls and 26 Pit Latrine toilets were constructed and or renovated through the allocation to the fund.

The fund's contribution towards education infrastructure across the constituency supported the 100% government transition policy.

In addition, the fund supported retention of students in secondary and tertiary institutions through issuance of bursary. A total of Kes.54, 545,526 was awarded as bursary to needy students in the constituency. NG-CDF Teso North committee has developed bursary award criteria to ensure only the needy students are awarded bursary.

#### **A). Budget Performance**

In the financial year 2021/2022 NG-CDF Teso North budget performance against actual amounts for current year based on economic classification and programmes, was Commendable this was mainly due to timely disbursement of funds to the constituency by the NG-CDF BOARD,

In the financial year ended June 30<sup>th</sup>, 2022, NG-CDF Teso North had a cumulative approved budget of Kshs 208,705,442 and the entire budget was fully received from the NG-CDF Board except for funds pending approval.

NG-CDFC Teso North disbursed the received funds as follows;

Kes 92,500,000 was disbursed to various schools and other government agencies for implementation of the approved projects,

Kes 54, 545,526 was issued as bursaries to needy students in the constituency,

Kes 18,017,546 was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses,

Kes 4,125,766 was used in payment of NG-CDFC staff salaries and gratuity,

Kes 4,797,528 was disbursed to NG-CDFC Environment project to fund Environment conservation activities,

Kes 3,283,037 was disbursed to NG-CDFC sports project to fund sporting activities,

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

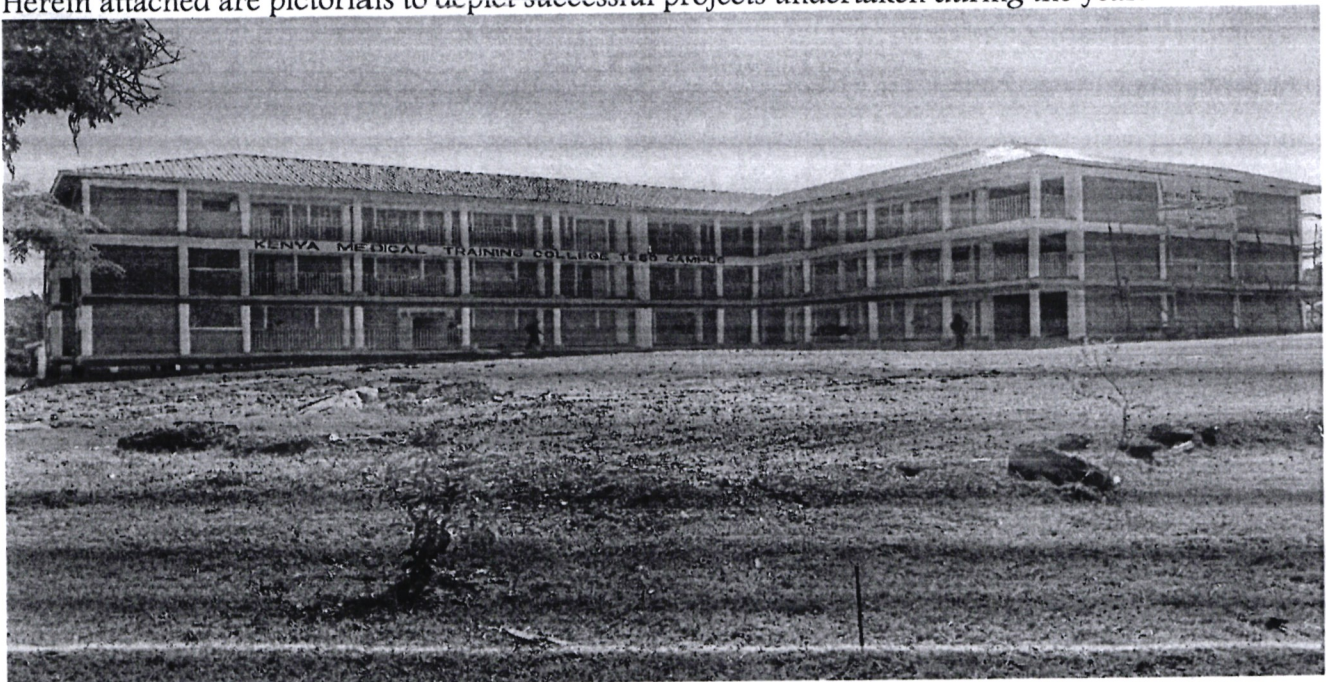
Kes 10,750,000 was used to fund security projects which have enhanced security in the constituency

Kes 3,876,525 was used to fund emergency occurrences in the constituency,

The performance during the year is summarised as follows;

PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	4,625,446	4,125,766	499,680	89
Use of goods and services	18,959,953	18,017,546	942,407	95
Transfers to Other Government Units	93,500,000	92,500,000	1,000,000	99
Other grants and transfers	90,056,109	77,252,616	12,803,493	86
Acquisition of assets	-	-	-	
Other Payments(Strategic Plan)	-	-	-	
Funds Pending Approval	1,563,934		1,563,934	0
<b>TOTAL</b>	<b>208,705,442</b>	<b>191,895,928</b>	<b>16,809,514</b>	<b>92</b>

Herein attached are pictorials to depict successful projects undertaken during the year.



*KMTC Kocholya: Construction of KMTC building to completion.*



Akichelesit Primary School: Construction of one Classroom to Completion.

**B). Emerging issues related to NG-CDF in Teso North Constituency are;**

- ❖ Education, Security, Sports, Environment, Water and Roads sectors almost entirely depend on NG-CDF on infrastructure development.
- ❖ Prioritization of projects to fund is becoming more difficult due to the numerous high impact and deserving projects being proposed by the residents.
- ❖ Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructure to cater for the residents.
- ❖ There's a growing Need to compete with the county government in infrastructure development to justify the long existence of NG-CDF.

**C). NG-CDF Implementation challenges in Teso North Constituency are;**

- ❖ Overdependence on the fund by the public and National government functions on all development related needs.

(To overcome this, NG-CDF Teso North Committee employs public participation at the ward level in identification of priority projects for funding and bursary beneficiaries within the constituency).

- ❖ Funds disbursement from the board is untimely and unpredictable leading to delays in execution of budgets occasioning unnecessary budgetary adjustments and delays in the implementation of approved projects.

(NG-CDF Teso North committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC`s) as soon as it receives).

- ❖ Many projects are allocated funds (thinly spread projects)- leading to projects receiving insufficient funds

(To overcome this challenge, NG-CDF Teso North is focusing on allocating enough funds to complete the project within at most 2 years).

Moving forward NG-CDF Teso North Committee remains steadfast in delivering on our mandate of transforming lives (maendeleo Kwa wote) thus creating a better society for all.



.....  
Mr. William Okalio  
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 *Teso North Constituency 2018-2022* plan are to:

- a) Improve Education Standards.
- b) Improve Security.
- c) Conserve the environment.
- d) Nurture talent through sporting activities and art
- e) Increase youth, women and persons with disability participation in development objectives.

Supplementing infrastructure development at the constituency level in matters falling within the functions of the national government in accordance with the Constitution.

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 Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries	In FY 21/22 we increased Education infrastructure by 19classrooms, in primary and 21 classrooms in secondary schools 4dormitories, 3laboratories 4admin blocks,3 teachers house and 2 dining halls. - Bursary beneficiaries at all levels were as per

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

			ies at all levels	the attached schedules
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without fearing for their lives and property.	-Decrease in the number of insecurity related incidents. -Improved security and a more secure business environment	-Numbers of usable physical infrastructure build in Police stations. Chief's offices, DCI and county Commissioners security facilities. -	In FY 21/22 We funded Aboloi chiefs' office Fencing of 1 acres of land with concrete poles and barbed wire and chain link and electrical wiring of the office Akichelesit Gsu Camp Drilling and equipping of a borehole Kamuriai Chiefs Office Completion of chiefs office ceiling and painting @ kshs 150,000 and purchase of furniture- executive office table @ kshs 45,000, executive office chair @ kshs 25,000, 3 ordinary office chairs @ kshs 30,000, 16 customers chairs @ kshs 80,000, 2 metallic cabinet @ kshs 70,000
Environment	To have a well Conserved and Conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. -sustainable environmental management activities.	In FY 21/22 -we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools approximately 4,000 in number
Sports	To Nurture	Increased	Number of	In FY 21/22

	<p>sporting talent, This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.</p>	<p>engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.</p>	<p>youth, women and persons living with disabilities taking up sporting activities. -Number of usable physical sporting infrastructure build.</p>	<p>-we organised the constituency sports tournament where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.</p>
Emergency	<p>To be able to urgently address Unforeseen occurrences in the constituency.</p>	<p>Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen Occurrences.</p>	<p>Numbers of usable physical infrastructure build and other emergency related activities addressed.</p>	<p>In FY 21/22 -we constructed Pit latrine blocks and re-roofing of classrooms in various schools When the schools were facing immediate closure by the county department of health.</p>

#### **IV. Environmental and Sustainability Reporting**

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

- a. **Education and Training:** Teso North 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 operations 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 a 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**

- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported by NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff Have at least one day in a financial year to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

## **3. Employee welfare**

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

Teso North 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-**

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

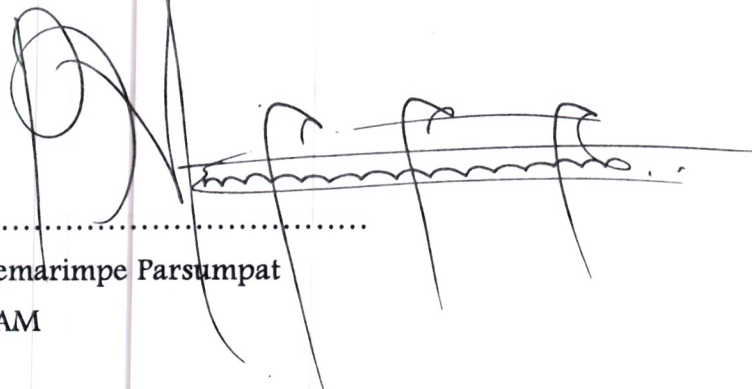
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

#### **Public Awareness**

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

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



.....  
**Lemarimpe Parsumpat**  
**FAM**

## 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Teso North 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-Teso North 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 in charge of the NGCDF- Teso North Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

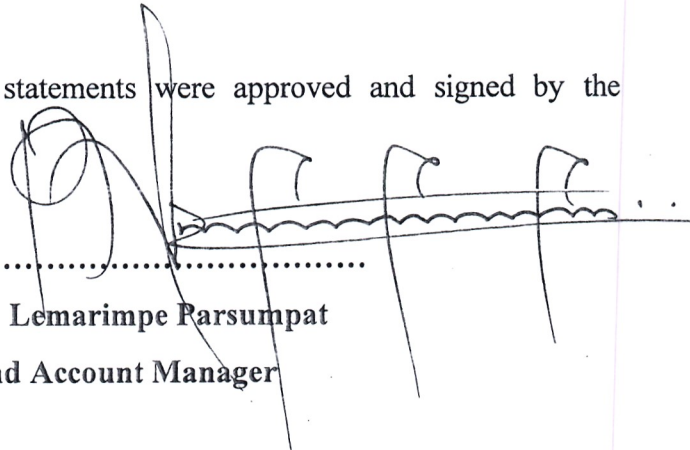
The Accounting Officer in charge of the NGCDF Teso North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NGCDF Teso North *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- Teso North Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2022.



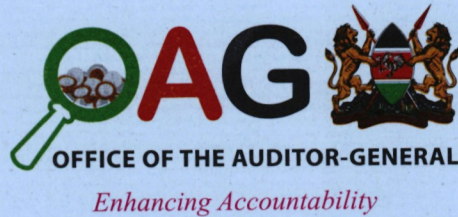
.....  
**Mr. William Okalio**  
**Chairman – NGCDF Committee**



.....  
**Mr. Lemarimpe Parsumpat**  
**Fund Account Manager**

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH 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 the National Government Constituencies Development Fund - Teso North Constituency set out on pages 1 to 55

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

which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund–Teso North 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. Inaccuracies in the Financial Statements**

##### **1.1 Transfers from NG-CDF Board**

The statements of receipts and payments reflects an amount of Kshs.184,177,758 in respect of transfers from NG-CDF Board, as disclosed in Note 1 to the financial statements. However, the summary statements of appropriation reflects actual receipts from NG-CDF Board of Kshs.207,298,508 resulting to a variance of Kshs.23,120,750

In the circumstances, the accuracy and completeness of the amount of Kshs.184,177,758 shown in the statement of receipts and payments in respect of transfers from NGCDF Board could not be confirmed.

##### **1.2 Undisclosed Outstanding Temporary Imprest**

Statement of assets and liabilities reflects total financial assets balance of Kshs.15,402,580 However, the balance excludes a balance of Kshs.994,188 in respect of outstanding temporary imprest shown in the cash book.

In the circumstances, the accuracy and completeness of the total financial assets balance of Kshs.15,402,580 could not be confirmed.

#### **2. Accuracy of the Cash and Cash Equivalents Balance**

The statement of assets and liabilities as at 30 June, 2022 reflects cash and cash equivalents balance of Kshs.15,402,580. However, the bank reconciliation statement for the Funds bank account for the month of June, 2022 reflects unrepresented cheques totalling Kshs.3,487,802 out of which cheques totalling Kshs.552,146 had become stale as at 30 June, 2022 and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.15,402,580 as at 30 June, 2022 could not be confirmed.

### **3 Unsupported Project Management Committee (PMC) Balances**

Note 17.4 to the financial statements reflect PMC bank balances of Kshs.25,164,370 which, as shown under Annex 5 to the financial statements, comprise of bank balances held in 32 bank accounts maintained by various Project Management Committees. However, cash books, bank confirmation certificates and bank reconciliation statements were not provided to support the individual balances.

In the circumstances, the accuracy and completeness of the balance of Kshs.25,164,370 could not be confirmed.

### **4. Unsupported Expenditures on Use of Goods and Services**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services amount of Kshs.18,017,546 which includes Kshs.5,970,186 in respect of committee expenses out of which, Kshs.830,000 was not supported by documents including Constituency Committee minutes, project monitoring and evaluation reports, attendance registers and invitation letters.

In the circumstance, the propriety of expenditure of Kshs.830,000 in respect of use of goods and services could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund–Teso North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects actual expenditure of Kshs.191,895,928 against approved budget of Kshs.208,705,422 resulting to under-performance of Kshs.16,809,514 or 8% of the budget.

The under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

## **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has indicated in the progress on follow up of auditor's recommendations section that some issues have been resolved while some have not. No satisfactory explanation was provided on the failure to resolve all the issues raised in the report.

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

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the 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**

##### **Lack of Land Ownership Documents**

Statement of receipts and payments reflects transfers to other Government units of Kshs.92,500,000 which, as disclosed in Note 6 to the financial statements, includes transfers to primary schools and tertiary institutions of Kshs.21,700,000 and Kshs.61,200,000 respectively. However, review of the project expenditure returns revealed that the Constituency Management purchased four (4) pieces of land for: one (1) primary school, one (1) chief's office and two (2) tertiary institutions totalling to Kshs.14,600,000 which were not supported with land ownership documents including land title deeds, official search and valuation report. This is contrary to Regulation 11(1)(k) of the National Government Constituencies Development Fund Regulations, 2016 which states that the functions of a Constituency Committee shall include obtaining and ensuring custody of ownership documents for assets.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management either intends to terminate the Fund or to cease its 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 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 overall 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 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**

**21 June, 2023**

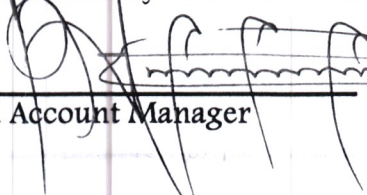
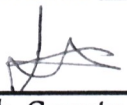

*Teso North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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	184,177,758	157,960,790
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	103,000
<b>Total Receipts</b>		<b>184,177,758</b>	<b>158,063,790</b>
<b>Payments</b>			
Compensation Of Employees	4	4,125,766	3,904,919
Use Of Goods and Services	5	18,017,546	8,383,166
Transfers To Other Government Units	6	92,500,000	51,819,204
Other Grants and Transfers	7	77,252,616	83,251,391
Acquisition Of Assets	8	-	-
Other Payments	9	-	-
<b>Total Payments</b>		<b>191,895,928</b>	<b>147,358,680</b>
<b>Surplus/(Deficit)</b>		<b>(7,718,170)</b>	<b>10,705,110</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 \_\_\_\_\_ 2022 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Mr. Lemarimpe Parsumpat	Name: CPA Michael O. Ogolla  ICPAK M/No:	Name: Mr. William Okalio

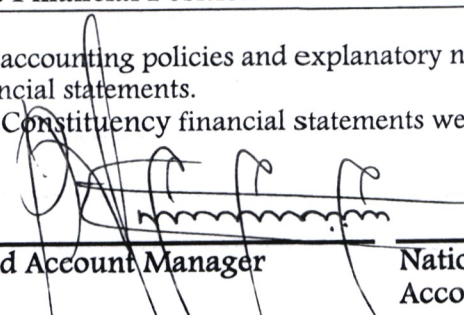
*Teso North Constituency  
National Government Constituencies Development Fund (NGCDF)  
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VIII. Statement of Assets and Liabilities as at 30<sup>th</sup> June, 2022


	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	15,402,580	23,120,750
Cash Balances (Cash at Hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>15,402,580</b>	<b>23,120,750</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>Total Financial Assets</b>		<b>15,402,580</b>	<b>23,120,750</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>15,402,580</b>	<b>23,120,750</b>
<b>Represented By</b>			
Fund Balance B/Fwd	13	23,120,750	12,002,274
Prior Year Adjustments	14	-	413,366
Surplus/Deficit for The Year		(7,718,170)	10,705,110
<b>Net Financial Position</b>		<b>15,402,580</b>	<b>23,120,750</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 \_\_\_\_\_ 2022 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

  
\_\_\_\_\_  
National Sub-County Accountant

  
\_\_\_\_\_  
Chairman NG-CDF Committee

Name: Mr. Lemarimpe Parsumpat

Name: CPA Michael O. Ogolla

Name: Mr. William Okalio

ICPAK M/No:

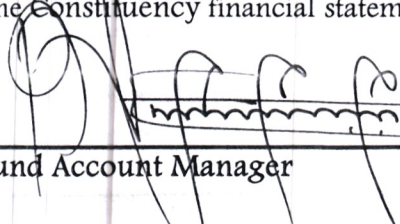
*Teso North Constituency  
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IX. Statement of Cash Flows for the Year Ended 30th June 2022


	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	184,177,758	157,960,790
Other Receipts	3	-	103,000
<b>Total Receipts</b>		<b>184,177,758</b>	<b>158,063,790</b>
<b>Payments</b>			
Compensation Of Employees	4	4,125,766	3,904,919
Use Of Goods and Services	5	18,017,546	8,383,166
Transfers To Other Government Units	6	92,500,000	51,819,204
Other Grants and Transfers	7	77,252,616	83,251,391
Other Payments	9	-	-
<b>Total Payments</b>		<b>191,895,928</b>	<b>147,358,680</b>
<b>Total Receipts Less Total Payments</b>		<b>(7,718,170)</b>	<b>10,705,110</b>
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	413,366
<b>Net Cash Flow from Operating Activities</b>		<b>(7,718,170)</b>	<b>11,118,476</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>
Net Increase In Cash And Cash Equivalent		<b>(7,718,170)</b>	<b>11,118,476</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>10</b>	<b>23,120,750</b>	<b>12,002,274</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>10</b>	<b>15,402,580</b>	<b>23,120,750</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 \_\_\_\_\_ 2022 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Name: Mr. Lemarimpe  
Parsumpat

Name: CPA Michael O. Ogolia

Name: Mr. William Okalio

ICPAK M/No:

**North 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	Actual on comparable basis	Budget utilization difference	% of Utilization
		A	B				
	2021/2022		Opening Balance (C/Bk) and AIA	2021/2022	30/06/2022		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers From NGCDF Board	137,088,879	23,120,750	48,495,813	208,705,442	207,298,508	1,406,934	99%
Proceeds From Sale of Assets	-	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	-	-
<b>Totals</b>	<b>137,088,879</b>	<b>23,120,750</b>	<b>48,495,813</b>	<b>208,705,442</b>	<b>207,298,508</b>	<b>1,406,933.70</b>	<b>99%</b>
Payments							
Compensation Of Employees	3,225,332	1,400,114	-	4,625,446	4,125,766	499,680	89%
Use Of Goods and Services	7,039,340	1,888,431	10,032,182	18,959,953	18,017,546	942,407	95%
Transfers To Other Government Units	64,900,000	1,075,000	27,525,000	93,500,000	92,500,000	1,000,000	99%
Other Grants and Transfers	61,924,207	18,757,205	9,374,697	90,056,109	77,252,616	12,803,493	86%
Acquisition Of Assets	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-
Funds Pending Approval**	-	-	1,563,934	1,563,934	-	1,563,934	0%
<b>Totals</b>	<b>137,088,879</b>	<b>23,120,750</b>	<b>48,495,813</b>	<b>208,705,442</b>	<b>191,895,928</b>	<b>16,809,514</b>	<b>92%</b>



**North 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	Adjustments			Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursement				
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,225,332	1,400,114	-	4,625,446	4,125,766	499,680	
1.2 Committee allowances	1,400,000	1,355,000	-	2,755,000	3,993,089	(1,238,089)	
1.3 Use of goods and services	1,600,000	533,431	7,443,366	9,576,797	8,283,860	1,292,937	
sub total	6,225,332.00	3,288,545.00	7,443,366.00	16,957,243.00	16,402,714.92	554,528.09	
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,800,000	(704,344)	1,900,000	2,995,656	2,932,500	63,156	
2.2 Committee allowances	1,112,000	(129,000)	688,816	1,671,816	1,977,097	(305,281)	
2.3 Use of goods and services	1,127,340	833,344	-	1,960,684	831,000	1,129,684	
sub total	4,039,340.00	-	2,588,816.00	6,628,156.00	5,740,597.00	887,559.00	
<b>3.0 Emergency</b>							
3.1 Primary Schools	-	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-	-
Chamasiri Sec. School	-	-	1,000,000	1,000,000	1,000,000	-	
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-
3.5 Others	-	-	-	-	-	-	-

**Teso North 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	Previous Years' Outstanding Disbursement	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA		2021/2022		
Roads	-	430,332	872,193	1,302,525	1,302,525	-
Foodstuff	241,739	-	1,332,261	1,574,000	1,574,000	-
3.6 UNUTILIZED	6,950,468	-	-	6,950,468	-	6,950,468
sub total	7,192,207.00	430,332.00	3,204,454.00	10,826,993.00	3,876,525.00	6,950,468.00
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	25,000,000	7,771,913	4,768,683	37,540,596	35,387,286	2,153,310
4.3 Tertiary Institutions	1,000,000	15,000	400,000	1,415,000	620,000	795,000
4.4 Universities	13,500,000	376,395	1,158,560	15,034,955	18,538,240	(3,503,285)
4.5 Social Security	-	1,908,000	-	1,908,000	-	1,908,000
sub total	39,500,000.00	10,071,308.00	6,327,242.90	55,898,550.90	54,545,526.00	1,353,024.90
5.0 Sports						
5.1	2,741,000	542,037	-	3,283,037	3,283,037	-
sub total	2,741,000.00	542,036.90	-	3,283,036.90	3,283,036.90	-
6.0 Environment						
Aedomoru Primary School	620,000			620,000	620,000	-
Katotoi Primary School	620,000			620,000	620,000	-
Kochohya chiefs office	320,000			320,000	320,000	-
Kolanya Chiefs office	320,000			320,000	320,000	-
Korrisai Girls Secondary School	541,000			541,000	541,000	-

**Tso North Constituency**  
**itional 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 Disbursement s			
Malaba Police Station	320,000			320,000	320,000	-
Okuleu Primary School	-	685,509		685,509	685,509	-
Chamasiri Secondary School	-	685,509		685,509	685,509	-
St Josephs Kocholya Secondary School	-	685,509		685,509	685,509	-
sub total	2,741,000.00	2,056,527.00	-	4,797,527.00	4,797,527.00	-
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
Achunet Primary School	1,000,000			1,000,000	1,000,000	-
Adanya Secondary School	1,000,000			1,000,000	1,000,000	-
Adurukoit Primary School	600,000			600,000	600,000	-
Amagoro Primary School	600,000			600,000	600,000	-
Amoni Primary School	300,000			300,000	300,000	-
Kaejo Primary School	300,000			300,000	300,000	-
Kajei Primary School	300,000			300,000	300,000	-
Kakapel Special School	1,000,000			1,000,000	1,000,000	-
Kakemer Primary School	500,000			500,000	500,000	-
Kamunyele Primary School	600,000			600,000	600,000	-
Kasinge Primary School	600,000			600,000	600,000	-
Katakwa Secondary School	2,000,000			2,000,000	2,000,000	-
Ketebat Primary School	1,000,000			1,000,000	1,000,000	-

**Teso North 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	Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	<b>2021/2022</b>	<b>Opening Balance (C/Bk) and AIA</b>				
Kolanya Girls Boarding Primary School	2,000,000			2,000,000	2,000,000	-
Malaba Special School	1,000,000			1,000,000	1,000,000	-
Onyunyur Primary School	1,000,000			1,000,000	1,000,000	-
Osajai Primary School	400,000			400,000	400,000	-
Akiriarnet Primary School				-		-
Katanyu Primary School			500,000	500,000	500,000	-
Kawalun Primary School			1,075,000	1,075,000	1,075,000	-
Kidek Primary School		1,075,000		1,075,000	1,075,000	-
Korissai Primary School			650,000	650,000	650,000	-
Moding Primary School			1,000,000	1,000,000	1,000,000	-
Goromait Primary School			200,000	200,000	200,000	-
Chamasiri Primary School			1,000,000	1,000,000	1,000,000	-
Ikapolok Primary School			5,000,000	5,000,000	5,000,000	-
sub total	14,200,000.00	1,075,000.00	9,425,000.00	24,700,000.00	24,700,000.00	-
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
S.A Aboloi Secondary School	1,700,000			1,700,000	1,700,000	-
Amoni Secondary School	300,000			300,000	300,000	-
Kekalet Secondary School	500,000			500,000	500,000	-

Programme/Sub-programme	Original Budget	Adjustments	Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	<b>2021/2022</b>	<b>Opening Balance (C/BK) and AIA</b>	<b>s</b>			
Korisai Girls Secondary School	1,000,000			1,000,000	1,000,000	-
Moding Secondary School	1,000,000			1,000,000	1,000,000	-
Kolanya Girls National School	-		1,500,000	1,500,000	1,500,000	-
St Theresa Malaba Mixed Sec.	-		500,000	500,000	500,000	-
St Anthony Akobwait CHA Sec	-		100,000	100,000	100,000	-
sub total	4,500,000.00	-	2,100,000.00	6,600,000.00	6,600,000.00	-
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
Chamasiri Technical Training Institute	-		3,000,000	3,000,000	3,000,000	-
Malaba Youth Empowerment Centre	-		3,000,000	3,000,000	2,000,000	1,000,000
Achia Echakara NYS School	3,200,000		8,000,000	11,200,000	11,200,000	-
KIHBT	6,000,000		-	6,000,000	6,000,000	-
Akiriarnet Teachers Training College	2,000,000		-	2,000,000	2,000,000	-
Kocholya Kenya Medical Training College (KMTC)	2,000,000		-	2,000,000	2,000,000	-
Kocholya KMTC	33,000,000		2,000,000	35,000,000	35,000,000	-
sub total	46,200,000	-	16,000,000	62,200,000	61,200,000	1,000,000
<b>10.0 Security Projects</b>						
Changara Chiefs Office	-	4,500,000	-	4,500,000	-	4,500,000
Okuleu Chiefs Office	-	1,000,000	-	1,000,000	1,000,000	-
Aboloi Chiefs Office	300,000	-	-	300,000	300,000	-

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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 Disbursement s			
Akichelesi GSTJ Camp	3,000,000	-	-	3,000,000	3,000,000	-
Amoni Chiefs Office	1,000,000	-	-	1,000,000	1,000,000	-
Chelelemuk Sub-location Assistant Chiefs Office	1,000,000	-	-	1,000,000	1,000,000	-
Kakemer Police Line	1,500,000	-	-	1,500,000	1,500,000	-
Kamurrai Chiefs Office	400,000	-	-	400,000	400,000	-
Malaba Police Station	1,400,000	-	-	1,400,000	1,400,000	-
Moding Police Station	500,000	-	-	500,000	500,000	-
Katakwa Chiefs Office	150,000	-	-	150,000	150,000	-
Kolanya Chiefs Office	500,000	-	-	500,000	500,000	-
sub total	9,750,000	5,500,000	-	15,250,000	10,750,000	4,500,000
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
sub total	-	-	-	-	-	-
<b>12.0 Others</b>						
12.1 Strategic Plan	-	-	-	-	-	-

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Programme/Sub-programme	Original Budget	Adjustments	Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA				
sub total	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.2 Roads	-	-	-	-	-	-
sub total	-	-	-	-	-	-
Funds pending approval**	-	157,000	1,406,934	1,563,934	-	1,563,934
sub total	-	157,000	1,406,934	1,563,934	-	1,563,934
Total	137,088,879.00	23,120,748.90	48,495,812.90	208,705,440.80	191,895,926.82	16,809,513.99

(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-Teso North 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 30<sup>th</sup> June 2021 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.

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO B 104753		19,000,000
AIE NO B 823728		35,000,000
AIE NO B 104843		11,960,790.10
AIE NO B 124672		9,000,000
AIE NO B 119657		10,000,000
AIE NO B 128046		13,000,000
AIE NO B 128289		6,900,000
AIE NO B 132081		6,000,000
AIE NO B 132343		6,000,000
AIE NO B 126012		13,000,000
AIE NO B 126304		6,100,000
AIE NO B 105099		10,000,000
AIE NO B 140743		12,000,000
AIE NO. B105298	34,838,879	
AIE NO. B140823	2,000,000	
AIE NO. B105676	44,000,000	
AIE NO. B128711	5,000,000	
AIE NO. B154440	18,000,000	
AIE NO. B105939	24,000,000	
AIE NO. B163873	12,000,000	
AIE NO. B154218	15,000,000	
AIE NO. B089100	10,250,000	
AIE NO. B154493	19,088,879	
<b>TOTAL</b>	<b>184,177,758</b>	<b>157,960,790</b>

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*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>	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	103,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	103,000

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,824,530	2,209,083
Personal allowances paid as part of salary		
House Allowance	-	200,500
Transport Allowance	-	-
Leave allowance	-	6,000
Gratuity to contractual employees	1,193,671	1,379,986
Employer Contributions Compulsory national social security schemes	107,565	109,350
<b>Total</b>	<b>4,125,766</b>	<b>3,904,919</b>

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*Notes to the Financial Statements (Continued)*

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	5,970,186	1,033,000
Utilities, supplies and services	4,218,836	471,356
Communication, supplies and services	9,450	336,500
Domestic travel and subsistence	2,837,836	2,599,900
Printing, advertising and information supplies & services	170,000	12,480
Rentals of produced assets	-	-
Training expenses	2,932,500	1,887,000
Hospitality supplies and services	200,000	337,600
Other committee expenses		-
Committee allowance		-
Insurance costs	-	-
Specialized materials and services		214,210
Office and general supplies and services	496,000	392,480
Other operating expenses	-	163,939
Routine maintenance – vehicles and other transport equipment	1,182,738	899,381
Routine maintenance – other assets	-	35,320
<b>Total</b>	<b>18,017,546</b>	<b>8,383,166</b>

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*Notes to The Financial Statements (Continued)*

**6. Transfer to Other Government Units**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools (See Attached List)	21,700,000	2,050,000
Transfers To Secondary Schools (See Attached List)	9,600,000	3,562,000
Transfers To Tertiary Institutions (See Attached List)	61,200,000	46,207,204
<b>Total</b>	<b>92,500,000</b>	<b>51,819,204</b>

**7. Other Grants and Other transfers**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	35,387,286	16,550,338
Bursary – tertiary institutions (see attached list)	18,538,240	57,553,770
Bursary – special schools (see attached list)	620,000	485,000
Mock & CAT (see attached list)	-	-
Social Security programs (NHIF)		12,000
Security projects (see attached list)	10,750,000	100,000
Sports projects (see attached list)	3,283,037	4,307,354
Environment projects (see attached list)	4,797,528	685,509
Emergency projects (see attached list)	3,876,525	3,557,420
<b>Total</b>	<b>77,252,616</b>	<b>83,251,391</b>

**8. Acquisition of Assets**

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

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>Equity bank, Malaba branch. A/C No. 1050278831272</i>	15,402,580	23,120,750
<b>Total</b>	15,402,580	23,120,750
<b>10 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

11: Outstanding Imprests

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

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*Notes to the Financial Statement Continued*

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	-	69,418
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	-	69,418

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	23,120,750	12,002,274
Cash in hand	-	-
Imprest	-	-
Total	23,120,750	12,002,274

Notes to the Financial Statements (Continued)

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> )	-	-	-
<b>Total</b>	-	-	-

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	-	-

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*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	-	677,407
Others ( <i>specify</i> )	-	-
Total	-	677,407

17.3: Unutilized Fund (See Annex 3)


	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	499,680	8,646,480
Use of goods and services	942,407	4,674,247
Amounts due to other Government entities (see attached list)	1,000,000	17,600,000
Amounts due to other grants and other transfers (see attached list)	12,803,493	28,131,902
Acquisition of assets	-	-
Others(Specify)	-	-
Funds pending approval	1,563,934	12,563,934
Total	16,809,514	71,616,563

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17.4: PMC account balances (See Annex 5)

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	25,164,370	11,359,608
Total	25,164,370	11,359,608


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**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
Construction of buildings	A	B	C	d=a-c	
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					

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**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				

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**Annex 3 – Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2021/22</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
Compensation of employees	Payment of staff salaries	499,680	1,400,114	Ongoing
Use of goods & services	Purchase of fuel, vehicle repairs and maintenance, printing, stationery, Airtime and refreshments	942,407	11,920,613	Ongoing
<b>Sub total</b>		<b>1,442,087</b>	<b>13,320,727</b>	
<b>Amounts due to other Government entities</b>				
<b>7.0 Primary Schools Projects</b>				
Katanyu Primary School	Completion of 300 students capacity Library Shuttering, Glazing, Plastering, Flooring, Painting, Branding and signage	-	500,000	
Kawalun Primary School	Construction of one Classroom to completion	-	1,075,000	Project now complete and in use
Kidek Primary School	Construction of one Classroom to completion	-	1,075,000	Project now complete and in use

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Korisai Primary School	Renovation of 4 classrooms to completion Re-roofing, Flooring, Glazing, Electrical works, Painting, Branding and signage.	-	650,000	Project now complete and in use
Moding Primary School	Construction of one Classroom to completion	-	1,000,000	Project now complete and in use
Goromait Primary School	Completion of one classroom Plastering, Shuttering, Glazing, Flooring, Painting, Branding and signage	-	200,000	Project now complete and in use
Chamasiri Primary School	Construction of one Classroom to completion	-	1,000,000	Project now complete and in use
Ikapolok Primary School		-	5,000,000	Project now complete and in use
<b>8.0 Secondary Schools Projects</b>				
	Completion of science laboratory Shuttering, Plastering, Flooring,	-	1,500,000	Project now complete and in use
Kolanya Girls National School				

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	Electrical works, Plumbing and Mechanical works, painting, Branding and Signage.			
St Theresa Malaba Mixed Sec.	Completion of 300 students capacity Library Shuttering, Glazing, Plastering, Flooring, Painting, Branding and signage	-	500,000	Project now complete and in use
St Anthony Akopwait CHA Sec	Completion of one classroom plastering, flooring, glazing, painting, branding and signage	-	100,000	Project now complete and in use
9.0 Tertiary institutions Projects	(List all the Projects)			
Charnasiri Technical Training Institute	Construction of a gate with security office @ Kshs 1,350,000 and fencing of 3 acres of land with concrete		3,000,000	Project now complete and in use

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Malaba Youth Empowerment Centre	Construction of a gate with security office @ Kshs 1,350,000 and fencing of 3 acres of land with concrete poles and Chain link Kshs 650,000	1,000,000	3,000,000	Ongoing
Achia Echakara NYS School	Additional funds for completion of KMTC building completion of 1st and 2nd floor works on a 3 storey building with 1st floor comprising of library, laboratory, Administration office construction: plastering, electrical works ,plumbing works ,painting, flooring,	-	8,000,000	Project now complete and in use

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Kocholya KMTC	shuttering and glazing. Construction of 2nd floor to completion: comprising of 4 lecture halls, 8 toilets ( 2 european types, 5 asian and 1 for PWDs) and an office- roofing, Ramp, mechanical works, Tiling, Ceiling, Painting and General finishes	-	2,000,000	Project now complete and in use
Sub-Total		1,000,000	28,600,000	
Amounts due to other grants and other transfers				
3.0 Emergency	To cater for unforeseen occurrences within the constituency during the financial year.	6,870,441	6,628,346	Ongoing
3.1 Primary Schools				
3.2 Secondary schools				

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Chamasiri Sec. School			1,000,000	Project now complete and in use
3.3 Tertiary institutions		-	-	
3.4 Security projects		-	-	
3.5 Others				
Roads		-	1,302,525	Project now complete and in use
Foodstuff		-	1,332,261	Project now complete and in use
3.6 Unutilized	To cater for unforeseen occurrences in the constituency during the financial year.	6,950,468		
4.0 Bursary and Social Security				
4.1 Primary Schools		-	-	
4.2 Secondary Schools	Payment of bursary to needy students in Secondary Schools	2,153,310	12,540,596	Ongoing
4.3 Special Institutions	Payment of bursary to needy Special students	795,000	415,000	Ongoing
4.3 Tertiary Institutions	Payment of bursary to needy students in Tertiary Institutions	(3,503,285)	1,534,955	Ongoing
4.5 Social Security(NHIF)		1,908,000	1,908,000	Ongoing

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**Annex 4 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	800,000	-	-	800,000
Buildings and structures	12,292,810	-	-	12,292,810
Transport equipment	5,740,000	-	-	5,740,000
Office equipment, furniture and fittings	2,167,164	-	-	2,167,164
ICT Equipment, Software and Other ICT Assets	1,742,400	-	-	1,742,400
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>22,742,374</b>	<b>-</b>	<b>-</b>	<b>22,742,374</b>

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Annex 5 –PMC Bank Balances as at 30<sup>th</sup> June 2022

PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
KAKEMER RC PRIMARY SCHOOL	EQUITY	1050279818461	14-05-2020	1,381,901	
RWATAMA – KIHBT	EQUITY	1050282516481	13-04-2022	6,000,000	
SA KOLANYA GIRLS NATIONAL SCHOOL	EQUITY	1050279914653	03-07-2020	3,404,298	
KOCHOLYA CHIEFS OFFICE	EQUITY	1050278989288	26-06-2019	320,622	
KAKEMER AP POLICE POST	EQUITY	1050280158444	01-10-2020	1,501,256	
KEKALET SECONDARY SCHOOL	EQUITY	1050278931144	07-06-2019	500,657	
KAJEI PRIMARY SCHOOL	EQUITY	1050279064759	24-07-2019	300,275	
AKIRIAMET PRIMARY SCHOOL	EQUITY	1050280189004	13-10-2020	341,375	
AMAGORO PRIMARY SCHOOL	EQUITY	1050279786100	22-04-2020	614,884	
ACK CHEMASIRI PRIMARY SCHOOL	EQUITY	1050279915488	04-07-2020	709,128	
AMONI SECONDARY SCHOOL	EQUITY	1050278986616	25-06-2019	75,064	
KAMUNYELE PRIMARY SCHOOL	EQUITY	1050282648446	25-05-2022	948	
SA ADANYA SECONDARY SCHOOL	EQUITY	1050279905706	30-06-2020	171,455	
CHAMASIRI TVC	EQUITY	10502799995296	05-08-2020	1,014,810	
ACHIYA ECHAKARA NYS	EQUITY	1050282556295	27-04-2022	3,704,251	
ADURUKOTT PRIMARY SCHOOL	EQUITY	1050282675846	02-06-2022	599,487	
IKAPOLOK PRIMARY SCHOOL	EQUITY	1050278968980	19-06-2019	94,779	

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PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
ONYUNYUR PRIMARY SCHOOL	EQUITY	1050282619857	17-05-2022	414,588	
CHELELEMUK ASSISTANT CHIEFS OFFICE	EQUITY	1050282651876	26-05-2022	999,487	
KAKAPEL SPECIAL SCHOOL	EQUITY	1050282648282	25-05-2022	999,487	
KATOTOI PRIMARY SCHOOL	EQUITY	1050282671015	31-05-2022	619,487	
AMONI PRIMARY SCHOOL	EQUITY	1050282819406	29-06-2022	299,487	
KOLANYA CHIEFS OFFICE	EQUITY	1050282649841	26-05-2022	819,487	
KAMURIAI CHIEFS OFFICE	EQUITY	1050278991549	27-06-2019	400,350	
KAJJO PRIMARY SCHOOL	EQUITY	1050282676150	02-06-2022	300,000	
ABOLOI CHIEFS OFFICE	EQUITY	1050282671329	31-05-2022	299,487	
KMTC KOCHOLIA	EQUITY	1050279805702	06-05-2020	3,561,284	
ACHUNET PRIMARY SCHOOL	EQUITY	1050282595281	10-05-2022	741,014	
MALABA POLICE STATION	EQUITY	1050282649834	26-05-2022	395,824	
SA KOLANYA GIRLS CLASSROOMS	EQUITY	1050279911492	02-07-2020	199,354	
MODING HIGH SCHOOL	EQUITY	105026341234	19-11-2014	1,001,670	
KAKEMER RC PRIMARY SCHOOL	EQUITY	1050279818461	14-05-2020	1,381,901	
Amoni Secondary School	Equity	1050278986616	03-07-2020		271,519
Achiya Echakara secondary school	Equity	1050279682424	26-06-2019		15,565
ACK Chemasiri Primary School	Equity	1050279915488	01-10-2020		28,206

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PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
Adanya Primary School-classroom	Equity	1050278981085	07-06-2019		710
Akadetewai Primary School	Equity	1050279852235	24-07-2019		97
Akadot Primary School	Equity	1050279009742	13-10-2020		256
Akichelesit GSU Camp	Equity	1050279908039	22-04-2020		15,565
Akichelesit Primary School	Equity	1050279808477	04-07-2020		33,545
Akichelesit Primary School-pit latrines	Equity	1050279904923	25-06-2019		19,445
Akiriarnasit pr school	Equity	1050297569757	25-05-2020		17,604
Akiriarnet Primary School	Equity	1050279928562	30-06-2020		21,088
Akiriarnet Primary School -Account 2	Equity	1050280189004	05-08-2020		924,187
Akobwait CHA sec sch	Equity	1050279035063	27-04-2020		888,065
Akolong primary school	Equity	1050279769783	02-06-2020		4,786
Akudiet Primary School	Equity	1050279736676	19-06-2019		198,748
Akulony Primary School	Equity	1050278927929	17-05-2020		35,014
Aloete Primary School	Equity	1050278960124	26-05-2020		30,050
Amagoro Primary School	Equity	1050279786100	25-05-2020		63,323
Chamasiri TVC	Equity	1050279995296	31-05-2020		1,997,365
Changara Chiefs Office	Equity	1050279805755	29-06-2020		1,828,507
Chelelemuk Boys Primary School	Equity	1050279784294	26-05-2020		126,985

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PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
DCC Teso North Old Office	Equity	1050279818087	27-06-2019		104
Ekisegere pr school	Equity	1050279091666	02-06-2020		208,520
Elalai primary school	Equity	1050279767504	31-05-2020		35,107
Ikapolok pr school	Equity	1050278968980	06-05-2020		3,895
Kagutio pr sch	Equity	1050278931818	10-05-2020		62,420
Kakapel Primary School	Equity	1050278895525	26-05-2020		39,802
Kakemer Primary School	Equity	1050279818461	02-07-2020		1,603,082
Kakeriaut Primary School	Equity	1050278981906	19-11-2014		2,147
Kakoli pr school	Equity	1050278899151	14-05-2020		995
Kalalaran primary school	Equity	1050278975803	03-07-2020		43,795
Kamuriai pr school	Equity	1050278911852	26-06-2019		1,560
Kangelemuge Primary School	Equity	1050278893129	01-10-2020		68,368
Kapesur Primary School	Equity	1050279724695	07-06-2019		28,534
Katanyu Primary School	Equity	1050279785255	24-07-2019		140
Ketebat Primary School	Equity	1050278982369	13-10-2020		18,831
Kocholya Chiefs office	Equity	1050278989288	22-04-2020		622
Kocholya KMTC PMC	Equity	1050279805702	04-07-2020		3,048,920
Kokeri Primary School	Equity	1050279371109	25-06-2019		1,640

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PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
Kolanya boys high sch	Equity	1050276556805	25-05-2021		225,085
Kolanya Boys Primary School	Equity	1050279008073	30-06-2020		43,021
Kolanya Girls Primary School	Equity	1050278902766	05-08-2020		15,680
Kolanya Girls Primary School -Classroom	Equity	1050279911492	27-04-2020		14,021
Kongololo Primary school	Equity	1050278923894	02-06-2020		512
Kongurakol Primary School	Equity	1050194459321	19-06-2019		1,096
Korisai Primary School	Equity	1050279741613	17-05-2020		16,538
Koruruma pr school	Equity	1050278973866	26-05-2020		124
Malaba Township primary	Equity	1050279052204	25-05-2020		3,902.00
Malaba Youth Empowerment Centre	Equity	1050279368247	31-05-2020		736,966
Matumbai Primary School	Equity	1050279914326	29-06-2020		287
Moding Chiefs Office	Equity	1050279844096	26-05-2020		24,958
Moding Police Station	Equity	1050280070532	27-06-2019		26,363
Okuleu Chiefs Office	Equity	1050277448096	02-06-2020		124,864
Okuleu Primary School	Equity	1050278984274	31-05-2020		699
Opaare pr school	Equity	1050279010326	06-05-2020		1,100
Osasame primary school	Equity	1050278912424	10-05-2020		70,595
Osopotoit pr school	Equity	1050278971639	26-05-2020		960

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PMC	Bank	Account number	Date of Account Opening	Bank Balance 2021/22	Bank Balance 2020/21
Rwatama primary school	Equity	1050279067915	02-07-2020		81,706
SA Adanya Secondary School	Equity	1050279905706	19-11-2014		29,383
SA Aedomoru Sec sch	Equity	1050279014854	14-05-2020		67,863
SA Kolanya Girls National School	Equity	1050279914653	03-07-2020		3,855,747
St Benard Kakurikit Secondary school	Equity	1050279781850	26-06-2019		230,796
St John Kajei secondary school	Equity	1050263524603	01-10-2020		955
St Jude Korisai Girls secondary school	Equity	1050278979886	07-06-2019		45,355
St Lawrence Akapijan Primary School	Equity	1050279908979	24-07-2019		1,647
St Marys Osajai Primary School	Equity	1050279788565	13-10-2020		137
St Thomas Amagoro Girls Secondary Sch	Equity	1050279818828	22-04-2020		1,468,367
St. Jude Onyonyur sec	Equity	1050278925678	04-07-2020		780
Teso North AP Camp	Equity	1050279917329	25-06-2019		17,222
Teso North DCC&apos;s Office	Equity	1050279111028	25-05-2020		10
Totokakile Primary School	Equity	1050279909493	30-06-2020		27,511
<b>Total</b>				<b>25,164,369</b>	<b>11,359,607</b>

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**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)
4.1 Irregular Recruitment	<p><b>Observation</b> During the year under review, the Constituency Committee recruited one employee for the post of liaison officer. However, evidence of advertisement of the positions was not availed for audit review. It was therefore not possible to determine how the staff was identified, shortlisted, interviewed and appointed to the position and paid a total salary of Kshs.191,676 between February and June, 2021.</p>	<p>The position of the liaison officer was advertised as per the NG-CDF Act regulations, copy of the advert and appointment letter attached. (Refer to appendix 1a &amp; 1b)</p>	Resolved	30.06.2022
4.2 Construction of 80 Capacity Twin Laboratory	<p><b>Observation</b> Included in the statement of receipts and payments for the year ended 30 June, 2021 under Note 6 is a balance of transfers to other government entities of Kshs.51,819,204. Included in the balance of transfers to other government entities is a balance of Kshs.3,562,000 for transfers to secondary schools. Included in the balance of transfers to secondary schools is a disbursement of Kshs 2,000,000 that was made to SA Kolanya Girls High School through payment voucher number 24 of 7/10/2020 for the construction and completion of a 80 capacity twin laboratory.</p>	<p>The project has been completed, Copy of the bank statement and completion certificate attached, Refer to appendix 2a &amp; 2b</p>	Resolved	30.06.2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Audit review of the project returns file maintained at the constituency office revealed the following:</p> <ul style="list-style-type: none"> <li>-The tender opening minutes of 12/10/2020 for tender number NG-CDF/TSON/01/02/2020-2021 were not initialed on each page by the tender opening members as required by the Act.</li> <li>-As per the evaluation minutes of 5/11/2020 M/S Paed Hope Enterprises was recommended for the award of the tender at a bid sum of Kshs.4,895,285 being the lowest evaluated bidder. However, no contract agreement was made available for audit review to confirm that an agreement was entered into between the project management committee of Kolanya Girls High School and the contractor for the construction of a laboratory.</li> <li>- As at 30 June 2021, the contractor had been paid a total of Kshs.2,121,210 inclusive of tax as per interim payment certificate number 1. No bank statements were made available for audit review to confirm that the amount was received and used for the intended purpose.</li> <li>-As per the project management committee meeting held on 25/02/2022, the project manager informed the committee members that the project was to take four months whose completion date ought to have been July 2021. No evidence was provided to show that the contractor had requested for extension of time and the same approved.</li> </ul>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>-As per minute 04/08/2021 of the Project Management Committee on the stalled laboratory project, the secretary to the project management committee who was the principal of the school stated that the contractor abandoned construction of the project as from 25/6/2021 and had not been seen by the time of handing over the school to the new chief principal on 6/8/2021.</p> <p><b>Physical Verification:</b></p> <p>Physical verification of the project on 5/5/2022 revealed that the contractor had not been on site since late March 2021 and the project appeared abandoned with the following works not carried out:</p> <ul style="list-style-type: none"> <li>• Gas Work-Testing not done</li> <li>• Carpentry works(shelving)- ongoing</li> <li>• Electrical works- Not begun</li> <li>• Sinks not of the same size</li> <li>• The verandah had no columns fixed to support the roof</li> <li>• External plastering was poorly done</li> </ul>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3 Disbursement to Bishop Sulumeti Girls Secondary School	<p><b>Observation</b></p> <p>Included in the statement of receipts and payments for the year ended 30 June, 2021 under Note 6 is a balance of transfers to other government entities of Kshs.51,819,204.</p> <p>Included in the balance of transfers to other government entities is a balance of Kshs.3,562,000 for transfers to secondary schools. Included in the balance of transfers to secondary schools is a disbursement of Kshs.1,462,000 to Bishop Sulumeti Girls Secondary School for the completion of purchase of school bus 51-seater capacity.</p> <p>Audit review of the project file revealed that: -</p> <ol style="list-style-type: none"> <li>The school took a loan facility from Kenya Commercial Bank (KCB) of Kshs 6,090,000 to be repaid at sixteen (16) percent interest over a period of sixty (60) months of 15 terms in instalment of Kshs 592,390 per term as per the letter of offer dated 29 April, 2015 and 6 July 2015.</li> <li>As per the PTA summary report as at 20 July 2016, the total expected cost to be paid for the period ended 31 January 2020 was expected to be Kshs 8,885,850 less payment made of Kshs 2,369,560 leaving a balance of Kshs 6,516,290.</li> <li>It was however, noted that the school did not open a separate bank account for the funds received from Teso North Constituency Development Fund but instead used</li> </ol>	<p>As per your recommendation the NG-CDF Teso north operates separate CDF account for all CDF funded projects, Copy of the sample deposit slips for NGCDF funded projects attached. (Refer to appendix 3a-3d)</p> <p>Copy of the bank statement for Bishop Sulumeti Girls High school attached. (Refer to appendix 3e)</p> <p>NG-CDF Teso North management has written to the Bishop Sulumeti Girls High school board management to fasten the process of transfer of</p>	Not Resolved	30.06.2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the schools main account which is against the regulations stated above.</p> <p>4. Further, it was not possible to ascertain how much funds Teso North NG-CDF has disbursed to the school for the procurement of the Isuzu bus as no records were availed for audit.</p> <p><b>Physical Verification:</b></p> <p>Physical verification of the Isuzu bus revealed that it existed, however scrutiny of the log book of the bus registration KBZ 083D showed it was in the name of Kenya Commercial Bank and Bishop Sulumeti Girls Secondary School yet the principal had said that all the payments had be made to Kenya Commercial Bank by January 2020 and they owed the bank nil balance.</p> <p>No letter of discharge from the bank written to the school stating that the bank has no interest in the said bus and ownership should revert to the school was availed for audit review.</p> <p><b>Recommendation</b></p> <p>In future a separate bank account should be opened for any disbursement made to a project management committee</p> <p>-Provide evidence of how much was disbursed to Bishop</p>	<p>ownership of the school bus, copy of the letter attached. (Refer to appendix 3f)</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																														
	<p>Sulumeti Girls High school</p> <p>- Provide evidence of the effort you are making to have the bus registered in the name of the school.</p>																																	
4.4 Transfers to Tertiary Institutions	<p><b>Observation</b></p> <p><b>4.4.1 Kocholya Kenya Medical Training College</b></p> <p>The statement of receipts and payments for the year ended 30 June 2021 and as disclosed in note 6 to the financial reflects transfers to Tertiary Institutions of Ksh.51,819,204. Included in this figure of Kshs.51,819,204 is transfers of Kshs.46,207,204 to tertiary institutions out of which Kshs.45,007, 204 was paid to Kocholya-Kenya Medical Training College(KMTC) as summarized below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Payee</th> <th>Date</th> <th>P.V No.</th> <th>Cheque No.</th> <th>Amount( Kshs)</th> </tr> </thead> <tbody> <tr> <td>Kocholya KMTC</td> <td>07.10.2020</td> <td>025</td> <td>955</td> <td>10,453,776.00</td> </tr> <tr> <td>Kocholya KMTC</td> <td>05.02.2021</td> <td>075</td> <td>1150</td> <td>2,200,000.00</td> </tr> <tr> <td>Kocholya KMTC</td> <td>03.03.2021</td> <td>093</td> <td>1522</td> <td>4,800,000.00</td> </tr> <tr> <td>Kocholya KMTC</td> <td>29.03.2021</td> <td>102</td> <td>1573</td> <td>7,000,000.00</td> </tr> <tr> <td>Kocholya KMTC</td> <td>29.06.2021</td> <td>139</td> <td>2082</td> <td>20,553,428.08</td> </tr> </tbody> </table>	Payee	Date	P.V No.	Cheque No.	Amount( Kshs)	Kocholya KMTC	07.10.2020	025	955	10,453,776.00	Kocholya KMTC	05.02.2021	075	1150	2,200,000.00	Kocholya KMTC	03.03.2021	093	1522	4,800,000.00	Kocholya KMTC	29.03.2021	102	1573	7,000,000.00	Kocholya KMTC	29.06.2021	139	2082	20,553,428.08	<p>Copies of the bill of quantities attached, Refer to appendix 4a &amp; 4b</p>	Resolved	30.06.2022
Payee	Date	P.V No.	Cheque No.	Amount( Kshs)																														
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	<table border="1"> <tr> <td data-bbox="406 571 454 750">KMTC</td> <td data-bbox="406 750 454 996"></td> <td data-bbox="406 996 454 1243"></td> <td data-bbox="406 1243 454 1489"></td> <td data-bbox="406 1489 454 1937"></td> </tr> <tr> <td data-bbox="454 571 534 750">Total</td> <td data-bbox="454 750 534 996"></td> <td data-bbox="454 996 534 1243">45,007,204.08</td> <td data-bbox="454 1243 534 1489"></td> <td data-bbox="454 1489 534 1937"></td> </tr> </table>	KMTC					Total		45,007,204.08					
KMTC														
Total		45,007,204.08												
	<p>A review of the documents availed for audit revealed that the contract was signed on 8<sup>th</sup> July 2020 for proposed erection and completion of a storey building for administration, lecture halls, library and laboratory at Kocholya KMTC campus at a contract sum of Ksh.45,236,727.60.</p> <p>The completion period of the works as per the contract was to be 16 weeks. The first site meeting held on 14 August 2020 revealed that the project commencing date was July 2020 and the contract period of 36 weeks leading to an additional 20 weeks against the signed contract duration.</p> <p>Further, review of the payment vouchers and supporting documentations revealed that as per the meeting minutes held by the Project Management on 24/03/2021, the project cost was varied by Ksh.7,911,897 from 45,236,728 to 53,148,625. This was done 9 months after commencement of the contract against the regulation that no contract price shall be varied upwards within twelve (12) months from the date of the signing of the contract.</p> <p>In addition, there were no expenditure returns in the project file as required by the law.</p> <p>The payment vouchers were not supported by specific bills of</p>													

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	<p>quantities to ascertain payments made relating to the specific works and no work plan was availed for audit review for analysis of the project status and milestones achieved.</p> <p>Payment voucher No 25 of Ksh.10,453,776.00 included payments made for construction of a gate at Ksh.400,000 and fencing of the land at Ksh.600,000, whose procurement documents for the works were not availed for audit review.</p> <p>The contractor had been paid a total of Kshs 45,112,873.1 at the time of the audit exercise in May,2022, as analyzed below:</p> <table border="1" data-bbox="699 593 858 981"> <thead> <tr> <th>Interim certificate No.</th> <th>Date</th> <th>Amount Ksh.</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup></td> <td>16/11/2020</td> <td>27,621,229.00</td> </tr> <tr> <td>2<sup>nd</sup></td> <td>10/03/2021</td> <td>7,759,913.00</td> </tr> <tr> <td>3<sup>rd</sup></td> <td>28/07/2021</td> <td>7,112,312.10</td> </tr> <tr> <td>4<sup>th</sup></td> <td>11/08/2021</td> <td>2,619,419.00</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>45,112,873.1</b></td> </tr> </tbody> </table>	Interim certificate No.	Date	Amount Ksh.	1 <sup>st</sup>	16/11/2020	27,621,229.00	2 <sup>nd</sup>	10/03/2021	7,759,913.00	3 <sup>rd</sup>	28/07/2021	7,112,312.10	4 <sup>th</sup>	11/08/2021	2,619,419.00	<b>Total</b>		<b>45,112,873.1</b>			
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<b>Total</b>		<b>45,112,873.1</b>																				
	<p>Further the 10% percent on retention could not be established whether the monies were deposited for them to be paid later to the contractor after the defect liability period. There were no invoices being raised by the contractor to warrant officers from public works to raise interim payment certificates.</p> <p>The land ownership could not be confirmed since the title</p>																					

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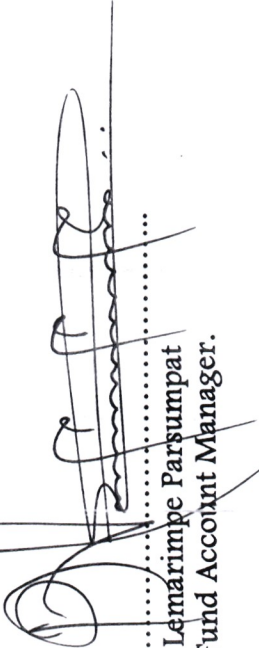
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>deed was not available at the institution. The handing over report and certificate of completion of works was not availed for audit review.</p> <p><b>Project Verification</b></p> <p>Project verification done in May 2022, revealed that the project was completed and in use. It was further noted that the fencing work were poorly done with wooden poles being used instead of concrete poles.</p> <p><b>4.4.2 Chamasiri Technical Training Institute</b></p> <p>The statement of receipts and payments for the year ended 30 June 2021 and as disclosed in Note 6 to the financial reflects transfers to tertiary institutions of Ksh51,819,204. Included in this figure of Kshs.51,819,204 is transfers of Kshs.1,200,000 made via voucher no 25 to Chamasiri TTI. As per the PMC committee minutes dated 25 September 2020, it was noted that the committee approved payments of Ksh 200,000 for fencing of 5-acre land, Ksh.500,000 for construction of security guards house to completion and Ksh.500,000 for purchase of 2 brick making machines.</p> <p>However, the tender opening and evaluation process, inspection reports from project team and handing over report to mark project completion was not availed for audit review. Further, bill of quantities was not availed to confirm if the projects were done to the standard.</p>			

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	<p><b>Project Verification</b></p> <p>Project verification done in May 2022, revealed that the fencing work had been completed but there was no bill of quantities availed for audit to check on the works.</p> <p>However, the security guard house had not been constructed yet funds had been transferred to the college's PMC account. The two brick making machines had never been delivered to the institutions.</p>			
<p>4.5 Renovation of Dormitory at Kolanya Boys Primary School</p>	<p><b>Observation</b></p> <p>Included in other grants and transfers of Kshs.83,251,391 under Note 7 to the financial statements is Ksh.16,550,338 bursary - transfers to Secondary schools out of which Kshs.857,000 was transferred to S.A Kolanya Boys Primary PMC account (equity bank account no 1050279008073) for the renovation of a dormitory that had burnt out vide cheque no 1523 of 8/3/2021 and PV no. 94 on 3/3/2021. The contract was awarded to MS JEBOWA COMPANY LTD at a contract sum of Ksh.854,660 . However, the contract agreement, the certificate of practical completion and handing over report were not availed for verification.</p> <p><b>Project Verification</b></p> <p>During audit verification it was observed that the following works worth Ksh.93,500 were not done but were paid for as indicated in the 1st interim certificate</p>	<p>Copy of the contract agreement, cert of completion and handing over report attached, Refer to appendix 5a, 5b &amp; 5c)</p>	<p>Resolved</p>	<p>30.06.2022</p>

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	attached to payment voucher signed on 24/05/2021 which stated the amount due to the contractor being Ksh.768,834 and the amount retained wasn't reflecting in the account as at 30/6/2021			

.....  
  
 Lemarimpe Parsumpat  
 Fund Account Manager.

