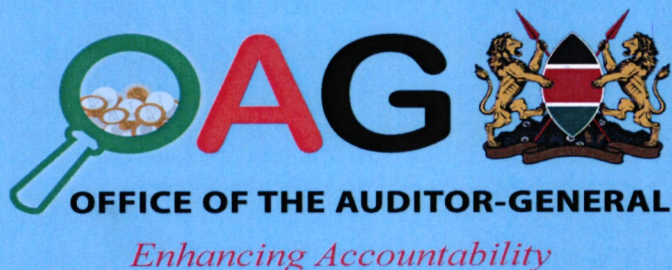


REPUBLIC OF KENYA



REPORT

OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ISIOLO NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2022

THE NATIONAL ASSEMBLY

DATE: 06 JUL 2023

DAY:
Thursday

TABLED
BY:

Hon. Samuel
Chepkonya, MP

CLERK AT
THE TABLE:

Joyce Kemerele



OFFICE OF THE AUDITOR GENERAL
UPPER EASTERN REGIONAL OFFICE - ISIOLO

04 APR 2023
112
RECEIVED
P. O. Box 1027 - 60300, ISIOLO



ISIOLO NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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;

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

- 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 Isiolo 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 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Ibrahim Tawane
2.	Sub-County Accountant	Ngugi Kinuthia
3.	Chairman NGCDFC	Nicholas Lolchuragi
4.	Member NGCDFC	Asna Wario

(d) Fiduciary Oversight Arrangements

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

Isiolo North CDF
Isiolo-Moyale Highway
Nakuru/Ravine Road
P.O.Box 5-60300
Isiolo, Kenya

(f) ISIOLO NORTH Constituency NGCDF Contacts

Telephone: (254) 723745154
E-mail: cdfisiolonorth@ngcdf.go.ke
Website: www.ngcdf.go.ke

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(g) Isiolo North Constituency NGCDF Bankers

Equity Bank
Account Number: 0410261949254
Isiolo Branch

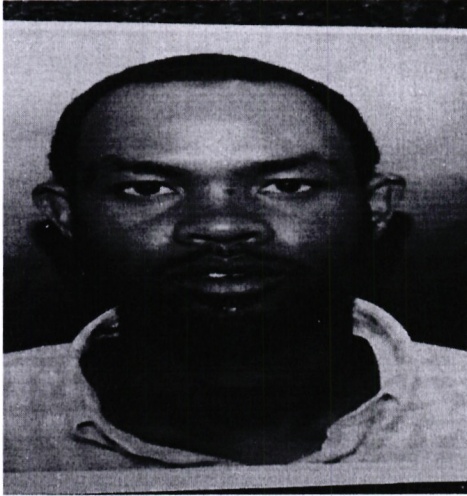
(h) Independent Auditors

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



Nicholas Lolchuragi - Chairman NGCDF Isiolo North

Going by the objectives of the NG-CDF, Isiolo North National Government Constituency Development Fund Committee (NG-CDFC) endeavored to administer projects in the financial year 2021/2022 within the confines of the law and guidance by the NGCDF Board.

Projects were identified and implemented with much regard to public participation, sustainable development oriented and enhancement of local accountability and transparency in the use of public resources.

This was vital to enhance ownership of the projects and continued appreciation of the fund in changing the livelihoods of the locals

As a requirement, all public entities entrusted with the use of public funds must at the end of every financial year present a financial annual report. The annual report entails summary of the budget performance against actual amount for the year under review

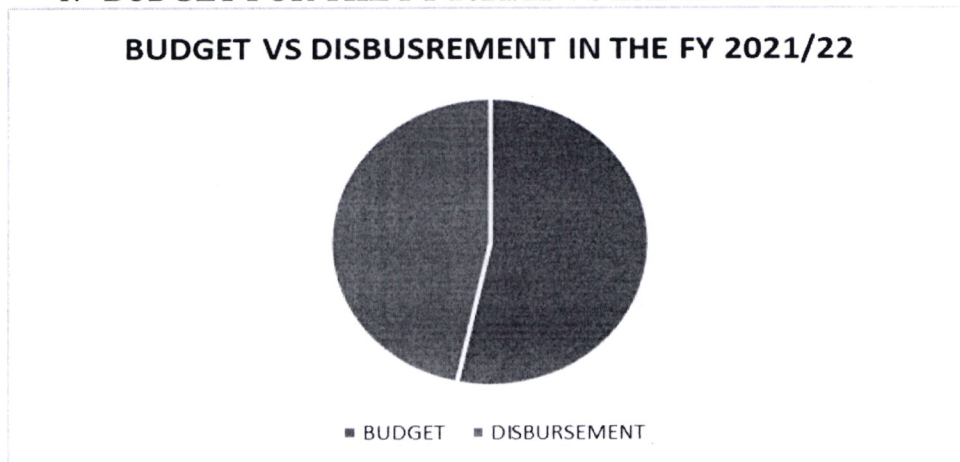
We therefore present Isiolo North NG-CDF's annual report and financial statements for the financial year 2021/2022. In the year under review, we are pleased with our overall performance with an increased annual expenditure compared to the previous financial year. We have put systems in place to ensure that there is improved service delivery and value for money which is in tandem with the constituency's vision and mission statement.

The actual amounts utilised by the constituency in its various expense items was at 82% of our annual budget of Kshs. 137,088,879, however the target should be 100% if funds are availed in time during the respective financial year.

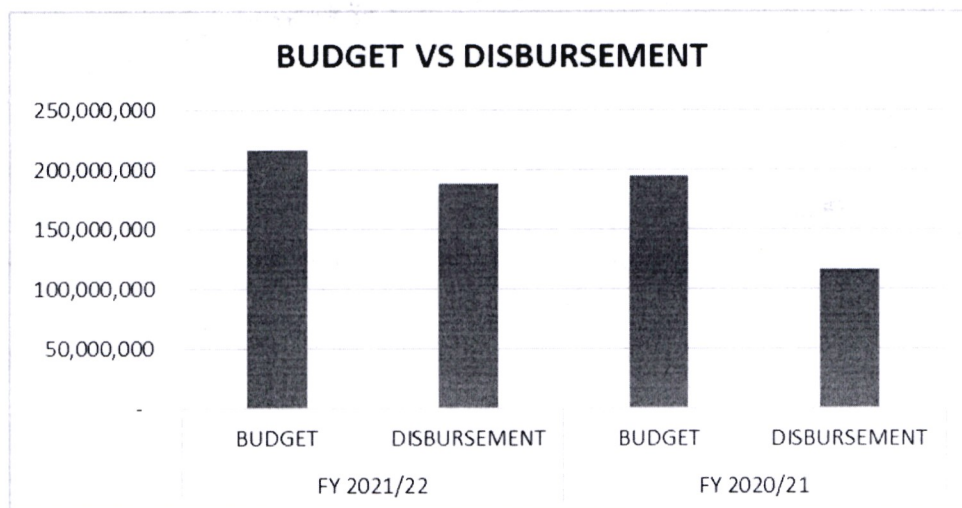
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Below we present a graphical presentation of the annual allocation and actual amounts spent in FY 2021/2022.

1. BUDGET FOR THE FY 2021/22 VS EXPENDITURE



2. COMPARISON BETWEEN FY 2021/22 & FY 2020/21



Key Achievements:

The greatest achievements are in project implementation which included improvement of learning structures in schools by construction of classrooms and administration blocks:

Emerging issues:

Emerging issues include:

1. High demand for bursary due to high poverty index.
2. High cost of building materials due making the cost of building a classrooms higher and hence less number are allocated funds in the Financial Year

Challenges:

1. Some schools are inaccessible due to poor road networks

Pictorials

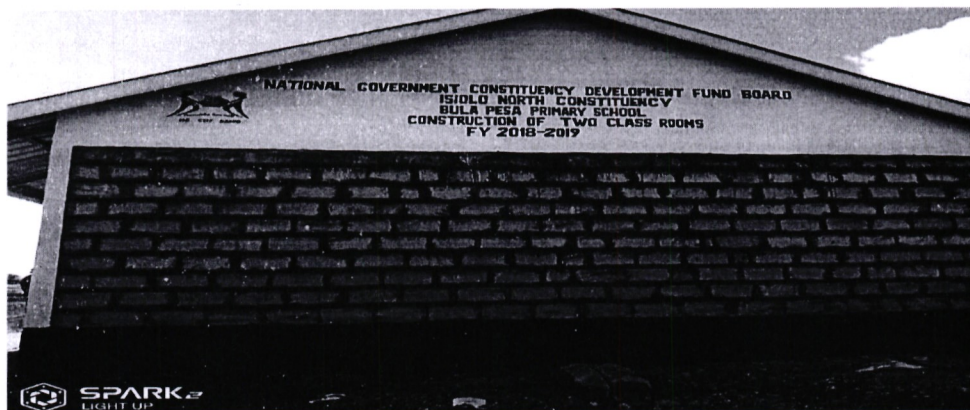
The management also constructed several classes during the financial year to create conducive environment for learning:

Sample of the classrooms constructed:

1. CONSTRUCTION OF 2 CLASSROOMS



2. BULESAS PRIMARY SCHOOL- 2 CLASSROOMS



.....
Name
CHAIRPERSON NGCDF COMMITTEE

*Isiolo North Constituency
National Government Constituencies Development Fund (NGCDF)
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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 *Isiolo North Constituency 2018-2022* plan are to:

- ✓ Enhance access to quality education by all boys and girls of school going age in the constituency
- ✓ Enhance capacities of communities to conserve, restore and sustainably manage their rangelands to support livelihoods resilience
- ✓ Enhance capacity of youth and women to sustainably use cultural and natural heritage, sport, athletics, and musical talents for self-empowerment
- ✓ Work with national and county government department of infrastructure to improve transport and communication network in the constituency
- ✓ Enhance security for people and their properties in the constituency

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 2021/22 -we increased number of classrooms from 200-265 in schools within the constituency - Bursary beneficiaries: 4200 at various institutions
Security	To have conducive working	Increased construction of chief's office	Improved security in the area	In FY 2021/22 there was construction of 10

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	environment for security agencies			new security structures including chiefs offices
Environment	To improve environment by carrying out environmental activities	Increased planting of trees both indigenous and fruit trees	Improved environment	in the FY 2021/22, we have planted more trees, and indigenous trees and harvesting
Sports	To empower youth through sports activities	Increased sports activities through Isiolo North tournament	Improved youth empowerment	In the year 2021/22, management did carried out sports activities to enhance youth empowerment
Disaster Management	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	Management has carried out PMC & CDPC capacity building to improve in the management of NG-CDF funds

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Isiolo 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 operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

NG-CDF Isiolo North carried out environmental activities in the FY 2021/22 to a tune of Kshs 2,700,000. This was the cost of construction of toilets and hence improve sanitation

3. Employee welfare

We invest in providing the best working environment for our employees. Isiolo 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 of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

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

Isiolo 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-

Isiolo 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.

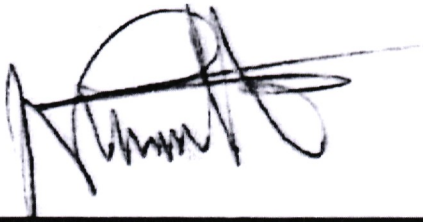
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



Name Ibrahim Tawane

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

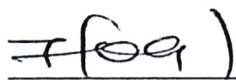
The Accounting Officer in charge of the NGCDF-Isiolo North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

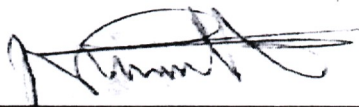
The Accounting Officer in charge of the NGCDF-Isiolo North Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *Isiolo North* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Isiolo North Constituency further confirms the completeness of the accounting records maintained for the *Isiolo North*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Isiolo 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 *Isiolo North*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Isiolo North Constituency financial statements were approved and signed by the

Accounting Officer on  2022.



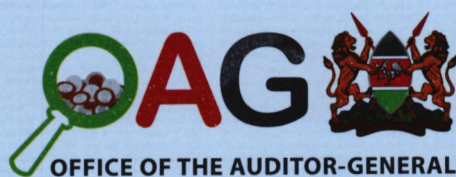
Name: Nicholas Lolchuragi
Chairman – NGCDF Committee



Name: Ibrahim Tawane
Finance Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Isiolo North Constituency set out on pages 1 to 44, 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 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 - Isiolo 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 the Public Finance Management Act, 2012 and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Unaccounted for Bursary Funds

The statement of receipts and payments together with Note 7 to the financial statements reflects a balance of Kshs.67,383,459 in respect to other grants and transfers which includes bursaries amounting to Kshs.28,503,452 disbursed to various secondary schools and Kshs.17,489,417 to tertiary institutions all totalling Kshs.45,992,869.

However, minutes for the Bursary Committee detailing how the bursaries were awarded were not provided for audit review. Further, examination of payment vouchers and supporting documents revealed that Kshs.8,580,769 had not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, accuracy and completeness of other grants and transfers of Kshs.45,992,869 could not be confirmed.

2.0 Unutilized Funds

The statement of receipts and payments and as disclosed under Note 6 to the financial statements reflects a balance of Kshs.106,596,895 in respect to transfer to other government units. However, despite the management disbursing funds to respective project management committees (PMCs), the projects with a total budget of Kshs.41,891,945 had not been implemented as at 30 June, 2022.

In the circumstances, the value for money of the Kshs.41,891,945 expenditure could not be confirmed.

3.0 Unsupported transfer to Secondary Schools

The statement of receipts and payments and as disclosed under Note 6 to the financial statements reflects transfers to other government units of Kshs.106,596,895 which, includes an amount of Kshs.57,480,000 relating to transfers to secondary schools. A disbursement of Kshs.4,500,000 was made to Labarishereki Secondary School for Construction of administration to completion. However, the supporting documents

including tender documents, quotations, opening and evaluation and award minutes, professional opinion, letters of offer and acceptance and contract agreements were not provided for audit review.

In the circumstances, the accuracy and completeness of transfers to other Government units of Kshs.4,500,000 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation for the year ended 30 June, 2022 reflects budgeted receipts of Kshs.230,053,201 and actual receipts of Kshs.208,216,966 resulting to underfunding of Kshs.21,836,235 or 9 % of the budget.

Similarly, the fund expended Kshs.188,261,256 against an approved budget of Kshs.230,053,201 resulting to an under-expenditure of Kshs.41,791,945 or 18.% of the budget.

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

2.0 Projects Implementation Status

During the year under review the Fund budgeted to implement fifty (50) projects worth Kshs.140,938,595. Review of the projects implementation status revealed that the Fund Management Committee completed forty-one (41) projects amounting to Kshs.121,038,595, and five (5) projects worth Kshs.10,400,000 were ongoing. Four (4) projects of Kshs.9,500,000 had however, not started. All these projects had been budgeted for and funded in the year ended 30 June, 2022.

In the circumstances, the value for money for the Kshs.9,500,000 expenditure in respect of project not started could not be confirmed.

3.0 Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Although the Management has indicated that the issues have been resolved, the matters have remained unresolved as the relevant parliamentary committee has not met to deliberate on the same.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, and 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

Untagged Assets

As previously reported, Annex 4 to the financial statements reflects Kshs.27,612,000 in respect to summary of fixed assets. However, office equipment, furniture & fittings (Kshs.1,562,500), ICT equipment (Kshs.51,000), and other machinery and equipment (Kshs.199,000) were not tagged for ease of tracking and identification contrary to Section 139(1)(a)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer of a national government entity shall take full responsibility and ensure that proper control systems exists for assets and preventive mechanism are in place to eliminate theft, security threats, loss, wastage and misuse and that movement and condition of assets can be tracked.

Further, the assets were not insured contrary to Section 31(4) of the National Government Constituencies Development Fund Act, 2015 which states that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Development Fund Committee shall be the property of the Board to be insured in the name of the Board.

In addition, the building structures sit on un surveyed land and the land was not registered in the name of the National Government Constituencies Development Fund Board which is against Section 31(4) of the National Government Constituencies Development Fund Act, 2015 which states that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Development Fund Committee shall be the property of the Board.

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 comply, 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 CONTROL, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal control, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 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 Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 May, 2023

*Isiolo 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

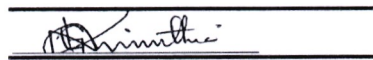
	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	174,709,249	147,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		174,709,249	147,000,000
PAYMENTS			
Compensation of employees	4	1,633,308	3,092,020
Use of goods and services	5	9,647,628	7,389,558
Transfers to Other Government Units	6	106,596,895	71,125,118
Other grants and transfers	7	67,383,459	34,867,003
Acquisition of Assets	8	-	-
Other Payments	9	2,999,966	-
TOTAL PAYMENTS		188,261,256	116,473,699
SURPLUS/DEFICIT		(13,552,007)	30,526,301

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 27/09/2022 and signed by:




Fund Account Manager

Name: Ibrahim Tawane



**National Sub-County
Accountant**

**Name: GN Kinuthia
ICPAK
M/No:
18855**



**Chairman
Committee** **NG-CDF**

Name: Nicholas Lolchuragi

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

VIII. Statement of Assets and Liabilities as At 30th June, 2022

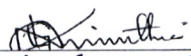
	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,955,709	33,507,717
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		19,955,709	33,507,717
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		19,955,709	33,507,717
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		19,955,709	33,507,717
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	33,507,717	2,881,416
Prior year adjustments	14		100,000
Surplus/Defict for the year		(13,552,007)	30,526,301
NET FINANCIAL POSITION		19,955,710	33,507,717

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 27/09/2022 and signed by:



Fund Account Manager

Name: Ibrahim Tawane


**National Sub-County
Accountant**

**Name: GN Kinuthia
ICPAK
M/No: 8855**



Chairman NG-CDF Committee

Name: Nicholas Lolchuragi

*Isiolo North Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. Statement of Cash Flows for the Year Ended 30th June 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	174,709,249	147,000,000
Other Receipts	3	-	-
		174,709,249	147,000,000
Payments for operating activities			
Compensation of Employees	4	1,633,308	3,092,020
Use of goods and services	5	9,647,628	7,389,558
Transfers to Other Government Units	6	106,596,895	71,125,118
Other grants and transfers	7	67,383,459	34,867,003
Other Payments	9	2,999,966	-
		188,261,256	116,473,699
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	100,000
Net Adjustments		-	100,000
Net cash flow from operating activities		(13,552,007)	30,626,301
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(13,552,007)	30,626,301
Cash and cash equivalent at BEGINNING of the year	10	33,507,717	2,881,416
Cash and cash equivalent at END of the year		19,955,710	33,507,717

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 7/09 2022 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Ibrahim Tawane

Name: GN Kinuthia

Name: Nicholas Lolchuragi

ICPAK M/No: 8855

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

IX. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	137,088,879	59,456,603	230,053,201	208,216,966	21,836,235	91%
Proceeds from Sale of Assets			-	-	-	
Other Receipts			-	-	-	
TOTAL RECEIPTS	137,088,879	59,456,603	230,053,201	208,216,966	21,836,235	91%
PAYMENTS						
Compensation of Employees	2,302,833	-	3,459,906	1,633,308	1,826,598	47%
Use of goods and services	10,035,166	2,084,359	13,103,884	9,647,628	3,456,256	74%
Transfers to Other Government Units	59,616,895	42,880,000	116,996,895	106,596,895	10,400,000	91%
Other grants and transfers	65,133,984	14,492,244	93,492,515	67,383,459	26,109,056	72%
Acquisition of Assets			3,000,000	2,999,966	34	100%
Other Payments			-	-	-	
Funds pending approval			-	-	-	
TOTAL	137,088,879	59,456,603	230,053,201	188,261,256	41,791,945	82%

**Isiolo North Constituency
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- Employee compensation- is underutilized because no provision for gratuity was expensed in the year. It is expensed at the end of the contract period.
- Use of goods and services - funds received towards the end of the financial year.
- Other grants and transfers - roll over funds received towards the end of the financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	41,791,945
Less undisbursed funds receivable from the Board as at 30th June 2022	21,836,235
	19,955,710
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	19,955,710

The Constituency financial statements were approved on 7/09/2022 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Ibrahim Tawane Name: GN Kinuthia
ICPAK M/No: 18855

Name: Nicholas Lolchuragi

**Isiolo North Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Adjustments(b)		Final Budget c = (a+b)	Actual comparable basis(d)	Budget utilization difference(e = c-d)	% Utilisation(f=d/c)
	Original Budget(a)	Opening Balance (C/Bk) and AIA Previous years Outstanding Disbursements				
	2020/2021		2020/2021	30/06/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,302,833	1,157,073	3,459,906.48	1,633,308	1,826,598	47%
1.2 Committee allowances	2,909,848.30		2,909,848.30	1,850,603	1,059,245	64%
1.3 Use of goods and services	3,012,650.96		3,012,650.96	3,000,000	12,651	100%
Total	8,225,333	1,157,073	9,382,406	6,483,911	2,898,495	69%
2.0 Monitoring and evaluation						
2.1 Capacity building	1,100,000.06		2,200,000	2,000,000	200,000	91%
2.2 Committee allowances	1,100,000.00		1,100,000	100,000	1,000,000	9%
2.3 Use of goods and services	1,912,666.31	984,359	3,881,384	2,697,025	1,184,359	69%
Total	4,112,666	984,359	7,181,984	4,797,025	2,384,959	67%
3.0 Emergency						
	7,192,206.90	21,414	7,241,612		7,241,612	0%
3.1 Primary Schools						

**Isiolo North Constituency
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BULA MPYA PRY SCH. PMC								1,300,000	(1,300,000)	
MS SHSHAI ENTERPRISE								226,040	(226,040)	
MS SHSHAI ENTERPRISE								119,450	(119,450)	
WASO GENERAL CONTRACTOR CO. LTD								1,583,400	(1,583,400)	
NATUDU PRIMARY SCH PMC								3,000,000	(3,000,000)	
Nicholas Lolchuragi								320,000	(320,000)	
Ibrahim Tawane								400,000	(400,000)	
3.5 Unutilised								-	-	
Total								6,948,890	292,722	96%
4.0 Bursary and Social Security										
4.1 Secondary Schools								28,503,452	16,316,175	64%
4.2 Tertiary Institutions								17,489,417	4	100%
4.3 Social Security								-	-	
4.4 Special Needs								-	-	
Total								45,992,869	16,316,179	74%
5.0 Sports										
								2,741,700	156	100%
Total								2,741,700	156	100%
6.0 Environment										
Awarsitu Primary School								100,000	-	100%
Bula Mpya Primary School								100,000	-	100%
Bulesa Primary School								100,000	-	100%
Bulesa Secondary School								100,000	-	100%

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

Gambella Primary School	100,000				100,000	-	100,000	100%
Gamachu Primary School	100,000				100,000	-	100,000	100%
Goda Primary School	100,000				100,000	-	100,000	100%
KambiGarba Primary School	100,000				100,000	-	100,000	100%
Khalifah Primary School	100,000				100,000	-	100,000	100%
Mata Arba Primary School	100,000				100,000	-	100,000	100%
Merti Boarding Primary School	100,000				100,000	-	100,000	100%
Merti Boys Secondary School	100,000				100,000	-	100,000	100%
Merti Muslim Girls Secondary School	100,000				100,000	-	100,000	100%
Merti Muslim Primary School	100,000				100,000	-	100,000	100%
Merti South Girls Primary School	100,000				100,000	-	100,000	100%
MlandaNur Primary School	100,000				100,000	-	100,000	100%
Nduguzangu Primary School	100,000				100,000	-	100,000	100%
Aremet Secondary School	100,000				100,000	-	100,000	100%
Biliqo Secondary School	100,000				100,000	-	100,000	100%
Istiolo Boys secondary school	100,000				100,000	-	100,000	100%

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

KambiGarba Day Secondary School	100,000			100,000	100,000	-	100%
Kisima MCK 78 Secondary School	100,000			100,000	100,000	-	100%
Labarshereki Mixed Day Secondary school	100,000			100,000	100,000	-	100%
Mwangaza High School	100,000			100,000	100,000	-	100%
Ngaremara Secondary School	100,000			100,000	100,000	-	100%
Uhuru Mixed Day Secondary School	100,000			100,000	100,000	-	100%
Waso Secondary School	100,000			100,000	100,000	-	100%
Total	2,700,000	-		2,700,000	2,700,000	-	100%
7.0 Primary Schools Projects							
Ramadhan Primary School	2,000,000			2,000,000	2,000,000	-	100%
Alrahma Primary School	2,600,000			2,600,000	2,600,000	2,600,000	0%
BisanBiliqo Primary School	500,000			500,000	500,000	-	100%
BulesaPrimary school	2,500,000			2,500,000	2,500,000	-	100%
Goda Primary School	2,600,000			2,600,000	2,600,000	2,600,000	0%
GotuPrimary school	2,600,000			2,600,000	2,600,000	-	100%
KhalifahPrimary school	2,500,000			2,500,000	2,500,000	-	100%
KubimatamukaPrimary school	1,300,000			1,300,000	1,300,000	1,300,000	0%
MokoriPrimary school	1,300,000			1,300,000	1,300,000	-	100%
NdonyoLengalaPrimary school	1,300,000			1,300,000	1,300,000	-	100%
RaapPrimary school	1,300,000			1,300,000	1,300,000	-	100%

**Isiolo North Constituency
National Government Constituencies Development Fund (NGCDF)
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Rumate Primary School	3,916,895				3,916,895	-	100%
Wabera Primary school	2,000,000				2,000,000	-	100%
Uhuru Primary School		600,000			600,000	-	100%
Rumate Primary School		1,300,000			1,300,000	-	100%
Ramadhan Primary School			3,000,000			3,000,000	0%
Ntipes Primary School			1,300,000		1,300,000	-	100%
Ntalabany Primary School			1,300,000		1,300,000	-	100%
Mlandanur Primary School			3,000,000		2,600,000	400,000	87%
Lakole Primary School			2,600,000		2,600,000	-	100%
Badan Raro Primary School			2,600,000		2,600,000	-	100%
Goda Primary School			2,700,000		2,700,000	-	100%
Gamachu Primary School			3,000,000		3,000,000	-	100%
Dololo Dakiye Primary School			500,000			500,000	0%
Biliqo Primary School			2,100,000		2,100,000	-	100%
Biliqi Primary School			2,600,000		2,600,000	-	100%
Awarsitu Primary School			1,300,000		1,300,000	-	100%
Alango Primary School			2,600,000		2,600,000	-	100%
Total	26,416,895	1,900,000	28,600,000		46,516,895	10,400,000	82%

**Isiolo North Constituency
National Government Constituencies Development Fund (NGCDF)
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8.0 Secondary Schools Projects										
Dadachabasa School	Mixed Day Secondary	4,500,000					4,500,000	4,500,000	-	100%
Dadachabasa School	Mixed Day Secondary	2,000,000					2,000,000	2,000,000	-	100%
Dadachabasa School	Mixed Day Secondary	2,600,000					2,600,000	2,600,000	-	100%
Biliqo day Secondary School	Secondary School	2,600,000					2,600,000	2,600,000	-	100%
Biliqo day Secondary School	Secondary School	2,000,000					2,000,000	2,000,000	-	100%
KambiGarba day Secondary School	Secondary School	3,000,000					3,000,000	3,000,000	-	100%
KambiGarba day Secondary School	Secondary School	7,000,000					7,000,000	7,000,000	-	100%
MCK Kisima 78 Secondary School	Secondary School	2,000,000					2,000,000	2,000,000	-	100%
Labarishereki Secondary School	Secondary School	4,500,000					4,500,000	4,500,000	-	100%
Waso Secondary school	Secondary school	3,000,000					3,000,000	3,000,000	-	100%
Aremet Secondary School	Secondary School	0				2,600,000	2,600,000	2,600,000	-	100%
Basaa Day Secondary School	Secondary School					5,000,000	5,000,000	5,000,000	-	100%
Kisima Girls Secondary School	Secondary School					5,000,000	5,000,000	5,000,000	-	100%
Labarishereki Secondary School	Secondary School							2,600,000	2,600,000	100%
Uhuru Secondary School	Secondary School							2,600,000	2,600,000	100%
LABARSHEREKI SEC. SCH PMC	SEC. SCH PMC							1,000,000	1,000,000	100%

**Isiolo North Constituency
National Government Constituencies Development Fund (NGCDF)
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KAMBI GARBA DAY SEC.SCH.FMC			320,000	320,000	320,000	-	100%
DADACHA BASA DAY SEC. FMC			360,000	360,000	360,000	-	100%
NGAREMARA SEC. SCH. FMC			2,400,000	2,400,000	2,400,000	-	100%
BULESA SEC. SCH. FMC			5,000,000	5,000,000	5,000,000	-	100%
Total	33,200,000	12,600,000	14,280,000	60,080,000	60,080,000	-	100%
9.0 Tertiary institutions Projects							
Total	-	-	-	-	-	-	
10.0 Security Projects							
DadachaBassa Police Post	4,000,000		4,000,000	4,000,000	4,000,000	-	100%
KipsingPolice Post	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	0%
Kulamawe Police Post	3,000,000		3,000,000	1,000,000	2,000,000	2,000,000	33%
MabatiniPolice Post	2,500,000		2,500,000	2,500,000	2,500,000	4,000,000	0%
Mata arba Chief office	4,000,000		4,000,000	4,000,000	4,000,000	-	100%
TullurobaPolice Post	4,000,000		4,000,000	4,000,000	4,000,000	-	100%
Total	18,500,000	-	18,500,000	9,000,000	9,500,000	9,500,000	49%
11.0 Acquisition of assets							
11.1 Motor Vehicles	-		-	-	-	-	
11.2 Construction of CDF office-Renovation	-	3,000,000	3,000,000	2,999,966	34	34	
Total	-	3,000,000	3,000,000	2,999,966	34	34	
12.0 Other payments							
Total	-	-	-	-	-	-	

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Total	-	-	-	-	-	-	-	-	-	-
13.0 unallocated fund										
Unapproved projects										
AIA										
PMC savings										
Total	-	-	-	-	-	-	-	-	-	-
	137,088,879	33,507,719	59,456,603	230,053,201	188,261,256	41,791,945	82%			

**Isiolo North Constituency
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STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
		Opening Balance (C/Bk) and AIA				
PAYMENTS		Previous Outstanding Disbursements				
Compensation of Employees	2,302,833	-	3,459,906	1,633,308	1,826,598	47%
Use of goods and services	10,035,166	2,084,359	13,103,884	9,647,628	3,456,256	74%
Transfers to Other Government Units	59,616,895	42,880,000	116,996,895	106,596,895	10,400,000	91%
Other grants and transfers	65,133,984	14,492,244	93,492,515	67,383,459	26,109,056	72%
Acquisition of Assets	-	-	3,000,000	2,999,966	34	
Other payments	-	-	-	-	-	
UNALLOCATED FUND	-	-	-	-	-	
TOTAL	137,088,879	59,456,603	230,053,201	188,261,256	41,791,945	82%

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Isiolo 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 28 June 2021 for the period 1st July 2021 to 30th 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 30th June 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020 - 2021
		Kshs	Kshs
	B104716		20,000,000
Normal Allocation	A823519		35,000,000
	B124524		9,000,000
	B124950		8,500,000
	B140549		12,000,000
	B119805		12,000,000
	B128095		6,900,000
	B128406		7,000,000
	B138818		12,000,000
	B126114		6,000,000
	B13215		7,000,000
	B126403		11,600,000
	B140898	33,000,000	
	B140806	4,620,370	
	B105442	44,000,000	
	B105773	22,000,000	
	B128510	5,000,000	
	B128821	12,000,000	
	B154019	12,000,000	
	B164462	19,000,000	
	B155821	23,088,879	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		174,709,249	147,000,000

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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)		
Total	-	-

3. Other Receipts

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

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,633,308	3,092,020
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	-
TOTAL	1,633,308	3,092,020

5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	9,450	9,450
Electricity	127,000	73,430
Water & sewerage charges	430,268	-
Office rent		
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	78,410
Rentals of produced assets		
Training expenses	1,340,000	260,000
Hospitality supplies and services	0	0
Other committee expenses	3,197,000	5,885,000
Committee allowance	3,850,000	1,050,000
Insurance costs		
Specialised materials and services		
Office and general supplies and services	0	0
Fuel , oil & lubricants	549,720	0
Other operating expenses		0
Bank service commission and charges	59,940	33,268
Other Operating Expenses	-	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	84,250	0
Routine maintenance- other assets		0

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TOTAL	9,647,628	7,389,558
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Notes to The Financial Statements (Continued)

6. Transfer to Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	49,116,895	38,700,000
Transfers to Secondary Schools	57,480,000	32,425,118
Transfers to Tertiary Institutions		
TOTAL	106,596,895	71,125,118

7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	28,503,452	4,145,000
Bursary -Tertiary (see attached list)	17,489,417	18,263,200
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security Projects (see attached list)	9,000,000	1,569,749
Sports Projects (see attached list)	2,741,700	2,741,700
Environment Projects (see attached list)	2,700,000	2,747,354
Emergency Projects (see attached list)	6,948,890	5,400,000
TOTAL	67,383,459	34,867,003

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

9. Other Payments

Strategic Plan	-	-
ICT Hubs	-	-
OTHERS	2,999,966	-
TOTAL	2,999,966	-

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Equity Bank, Isiolo Branch. Isiolo North NG-CDF	A/C no.0410261949254	19,955,709	33,507,717
Equity Bank		-	-
		-	-
TOTAL		19,955,709	33,507,717

11: Outstanding Imprests

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

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Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

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

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	33,507,717	2,881,416
Cash in hand		
Imprest		
TOTAL	33,507,717	2,881,416

14. Prior Year Adjustments

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

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st 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 st 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	-	-x
Others (<i>specify</i>)	-	-x
Total	-	-x

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	1,826,598	1,157,073
Use of goods and services	3,456,256	2,084,360
Amounts due to other Government entities (see attached list)	10,400,000	50,367,427
Amounts due to other grants and other transfers (see attached list)	26,109,056	21,887,737
Acquisition of assets	34	3,000,000
Others (<i>specify</i>)	-	-
Funds pending approval	-	-
	41,891,945	78,496,597

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	2,738,701.1	10,149,379
Total	2,738,701.1	10,149,379

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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
	a	B	C	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Description	Transaction	Outstanding Balance 2021-22	Outstanding Balance 2020-21	Comments
1.0 Administration and Recurrent					
1.1 Compensation of employees			1,826,598	1,157,073	Ongoing
1.2 Committee allowances			1,059,245		Ongoing
1.3 Use of goods and services			12,651		Ongoing
Total			2,898,495	1,157,073	
2.0 Monitoring and evaluation					
2.1 Capacity building			200,000	1,100,000	Ongoing
2.2 Committee allowances			1,000,000	984,359	Ongoing
2.3 Use of goods and services			1,184,359		Ongoing
Total			2,384,359	2,084,359	
3.0 Emergency					
Total			292,722	4,192,207	Ongoing
4.0 Bursary and Social Security					
4.1 Secondary Schools			16,316,175	14,953,674	ongoing
4.2 Tertiary Institutions			4		ongoing
Total			16,316,179		
5.0 Sports					

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	5		156	78	
Total			156	78	ongoing
6.0 Environment				1,637,930	
Alrahma Primary School			2,600,000		ongoing
Goda Primary School			2,600,000		ongoing
Kubimatamuka Primary school			1,300,000		ongoing
Ramadhan Primary School			3,000,000		ongoing
Mlandanur Primary School			400,000		ongoing
Dololo Dakiye Primary School			500,000		ongoing
Alango Primary School				2,600,000	ongoing
Awarsitu Primary School				1,300,000	ongoing
Biliqi Primary School				2,600,000	ongoing
Biliqo Primary School				2,600,000	ongoing
Dololo Dakiye Primary School				500,000	ongoing
Gamachu Primary School				3,000,000	ongoing
Goda Primary School				2,700,000	ongoing
Lafe Primary School				2,600,000	ongoing
Lakole Primary School				2,600,000	ongoing
Mlandanur Primary School				3,000,000	ongoing

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Ntalabany Primary School			1,300,000	ongoing
Ntepes Primary School			1,300,000	ongoing
Ramadhan Primary School			3,000,000	ongoing
Rumate Primary School			1,300,000	ongoing
Uhuru Primary School			3,200,000	ongoing
Ramadhan primary school			1,300,000	ongoing
Total		10,400,000	37,600,000	
8.0 Secondary Schools Projects				
Aremet Secondary School			2,600,000	ongoing
Basaa Day Secondary School			5,000,000	ongoing
Bulesa Secondary School			5,000,000	ongoing
Kisima Girls Secondary School			5,000,000	ongoing
Labarishereki Secondary School			2,600,000	ongoing
Total		-	20,200,000	
9.0 Tertiary institutions Projects				
Total		-		
10.0 Security Projects				

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Kipsing Police Post		1,000,000		Ongoing
Kulamawe Police Post		2,000,000		Ongoing
Mabatini Police Post		2,500,000		Ongoing
Mata arba Chief office		4,000,000		ongoing
Kom Chief office			1,000,000	ongoing
Total		9,500,000	1,000,000	
11.0 Acquisition of assets				
11.2 Construction of CDF office-Renovation			34	ongoing
Total		34	3,000,000	
12.0 Other payments				
Total				
13.0 unallocated fund				
Unapproved projects				
AIA				
PMC savings				
Total		41,791,945	78,696,598.00	

**ISILO NORTH Constituency
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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	(Kshs)	2020/21			(Kshs)	2021/22
Land						
Buildings and structures	18,000,000			-	18,000,000	
Transport equipment	7,799,500		-	-	7,799,500	
Office equipment, furniture and fittings	1,562,500		-	-	1,562,500	
ICT Equipment, Software and Other ICT Assets	51,000		-	-	51,000	
Other Machinery and Equipment	199,000		-	-	199,000	
	27,612,000				27,612,000	

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Annex 5 –PMC Bank Balances As At 30th June 2022

S/N O	PMC	Bank-ISIOLO	Account number	2021/2022	2020/21
	GODA PRY SCH PMC	EQUITY BANK- ISIOLO	0410281395728	200.30	-
	LAKOLE PRY SCHOOL	EQUITY BANK- ISIOLO	0410281206354	13,442.80	-
	GAMACHUPRY SCHOOLPMC	EQUITY BANK- ISIOLO	0410280937357	186.80	-
	NTALABANY PRY SCH PMC	EQUITY BANK- ISIOLO	0410281234261	246.00	-
	BILIQO SCHOOLPMC	EQUITY BANK- ISIOLO	0410278987288	2,710,275.00	-
	BADAN RARO PRY SCH PMC	EQUITY BANK- ISIOLO	0410281431276	- 860.00	
	RUMATE PRY SCH	EQUITY BANK- ISIOLO	0410281200079	- 77.80	
	LABARSHEREKI Sec sch PMC	EQUITY BANK- ISIOLO	0410281069845	- 7,745.20	
	KAMBI GARBA PRY SCH	EQUITY BANK- ISIOLO	0410279029190	5,667.00	
1	WASO SEC SCHOOL	EQUITY BANK- ISIOLO	0410278975015		1,361.38
2	MWANGAZA GIRLS SEC	EQUITY BANK- ISIOLO	0410279604294		1,469.50
3	NGARAMARA SEC SCH	EQUITY BANK- ISIOLO	0410279868198		74,414.95

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4	DADACHABASA SEC SCH	EQUITY BANK- ISILO	0410279731838		1,571.00
5	AWARSITU PRY SCHOOL	EQUITY BANK- ISILO	0410279944815		387.50
				2,738,701.1	79,204.33

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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)
6.0	Cash and Cash Equivalents	Note 10 to the financial statements reflects Kshs.33,507,717 in respect to bank balance as at 30 th June 2021. However, the headers of the table at note 10 are erroneously dated as 30 June 2020 while those of the comparative balances are dated 30 June 2019. Further, excluded from the cash and cash equivalent balance of Kshs.33,507,717 was Kshs.15,099,528 in	Resolved	

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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>respect to unpresented cheques as per the bank reconciliation statement submitted for audit review. The bank reconciliation statement as at 30th June 2021 reflects twenty-one (21) cheques all totaling to Kshs.2,884,225 that had gone stale as at 31st December 2021 but had not been reversed or replaced in the cash book as at the time of the audit on 12th April 2022 as detailed below;</p>		
6.2	<p>Unsupported Bank Balance</p>	<p>Note 10 to the financial statements reflects</p>	Resolved	

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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)
		Kshs.33,507,717 in respect to bank balance as at 30 th June 2021. However, certificate of bank balance and bank statement as at 30 th June 2021 were not availed for audit review. In the circumstance, the accuracy, validity, and existence of the bank balance could not be ascertained.		
16.0	Other Grants and Other Payments	Regulation 11(p) of the National Government Constituencies Development Fund Regulations, 2016 states that a	Resolved	

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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>Constituency Committee shall ensure that the principles of public finance as provided for under Chapter 12 of the Constitution and the Public Finance Management legislation are observed in the management of the Fund.</p> <p>Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 states that a Constituency Committee shall vet all</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>persons proposed to receive support in accordance with guidelines issued by the Board.</p> <p>Note 7 to the financial statements reflects Kshs.34,867,003 in respect to other grants and other payments which include Kshs.4,145,000 in respect to bursary disbursements to secondary schools which further include Kshs.3,832,000 disbursed to various institutions.</p> <p>However, the bursary disbursements were not</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>supported with student applications and vetting records together with acknowledgement letters or receipts from the beneficiary institutions. In the circumstance, the regularity, accountability, and justification for the bursary disbursements to secondary schools could not be confirmed.</p>		



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Name: Ibrahim Tawane
Fund Account Manager.