

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
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REPORT

DATE: 07 MAR 2023

DAY:
TUESDAY

TABLED
BY:

OF

The leader of the
Majority Party (LOM)

CLERK-AT
THE-TABLE:

Inzofu Mwale

THE AUDITOR-GENERAL

ON

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

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



HAMISI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

NG-CDF
HAMISI CONSTITUENCY
P. O. Box 262-50309,
KAIMOSI

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Hamisi 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	Silverius M. Wakoli
2.	Sub-County Accountant	Roseline Awino
3.	Chairman NGCDFC	Robert Serete
4.	Member NGCDFC	Mary Jemaiyo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 262-50309,
Shamahoho ACC's Office Grounds,
Chavakali – Kapsabet Highway
Kaimosi, KENYA

(f) Hamisi Constituency NGCDF Contacts

Telephone: (254) 0722959351
E-mail: cdhhamisi@ngcdf.go.ke
Website: www.ngcdfhamisi.go.ke

(g) Hamisi Constituency NGCDF Bankers

Kenya Commercial Bank
KCB Mbale Branch
Account No. 1102380598
P.O. Box 1123
Maragoli.

(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

Include among others the following:



**Robert Serete
Hamisi NGCDF Chairman**

Hamisi Constituency Geographic and Climatic Background

Hamisi is one of the five constituencies in Vihiga County. It borders Aldai constituency to the east, Ikolomani and Emgwen constituencies to the north, Vihiga and Sabatia constituencies to the west and Kisumu East constituency to the south. The constituency covers an area of 189.1 km².

The constituency has an equatorial climate with fairly distributed rainfall throughout the year. It has an average precipitation of 1900mm. Temperatures range between 14°C to 32°C with a mean of 23°C. The climate support a variety of cash crops mainly tea, coffee and horticultural crops. Dairy farming is also practiced in the constituency.

Hamisi Constituency Population Project and Density by Division

The population of the constituency was 159,241 by the 2019 housing and population census and is projected at 173,424 by 2022 and 179,406 by 2025.

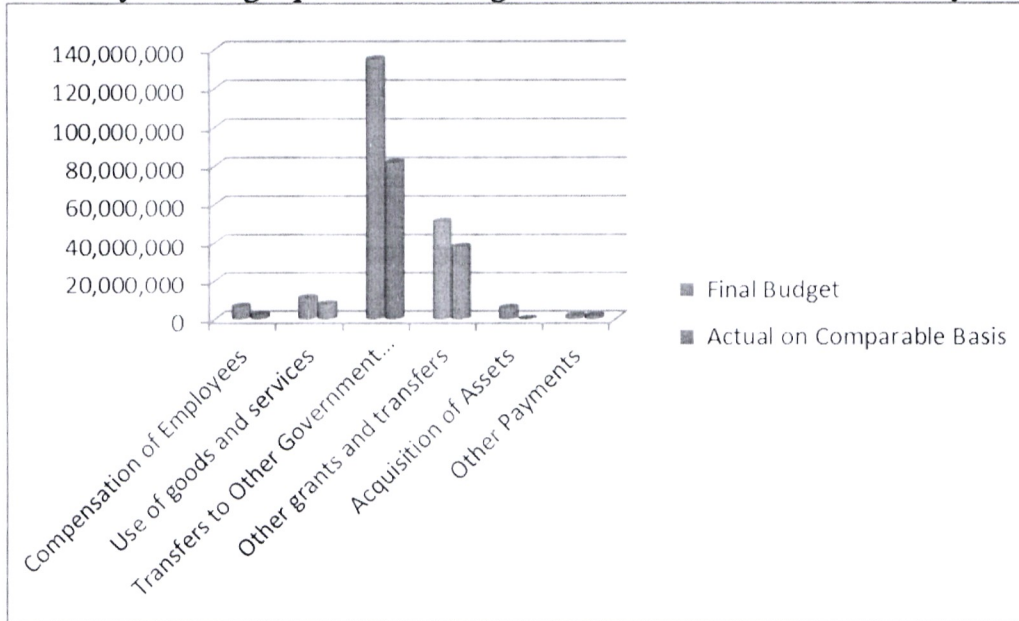
Administrative Units

CONSTITUENCY	DIVISION	NOs. LOCATION	NOs. SUB- LOCATION
HAMISI	Shamakhokho	2	5
	Shaviringa	2	6
	Tambua	2	9
	Jepkoyai	2	8

The constituency has seven electoral wards namely Banja, Shamakhokho, Muhudu, Shaviringa, Tambua, Jepkoyai and Gisambai. The Constituency had a budget of Kshs.137,088,879.31 during the financial year 2019-2020. The budget was distributed as per the illustrated pie chart below.

The NG-CDF Hamisi members were inducted on best practices on Monitoring and Evaluation, financial and project management.

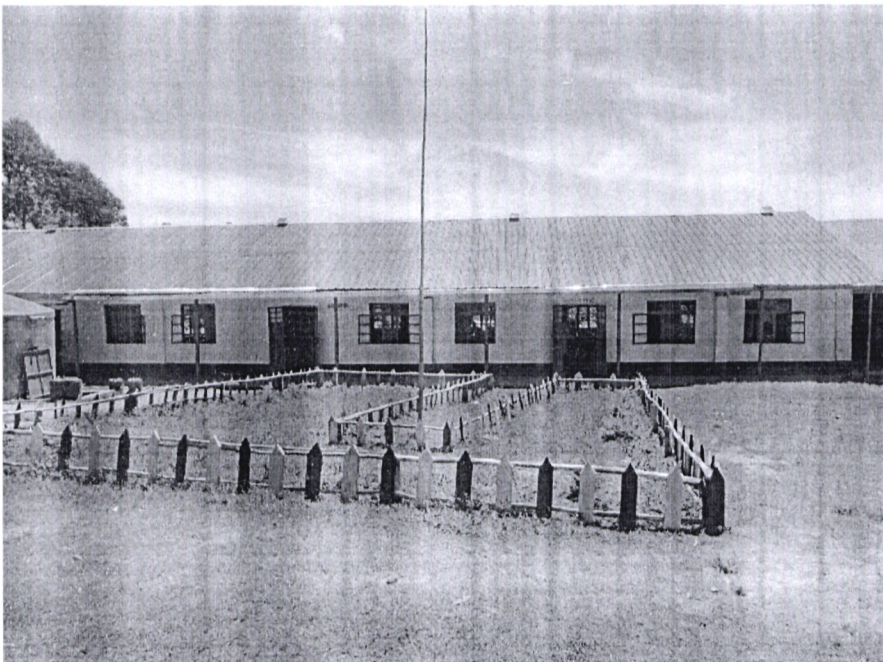
Summary the budget performance against actual amounts for current year 2020-2021



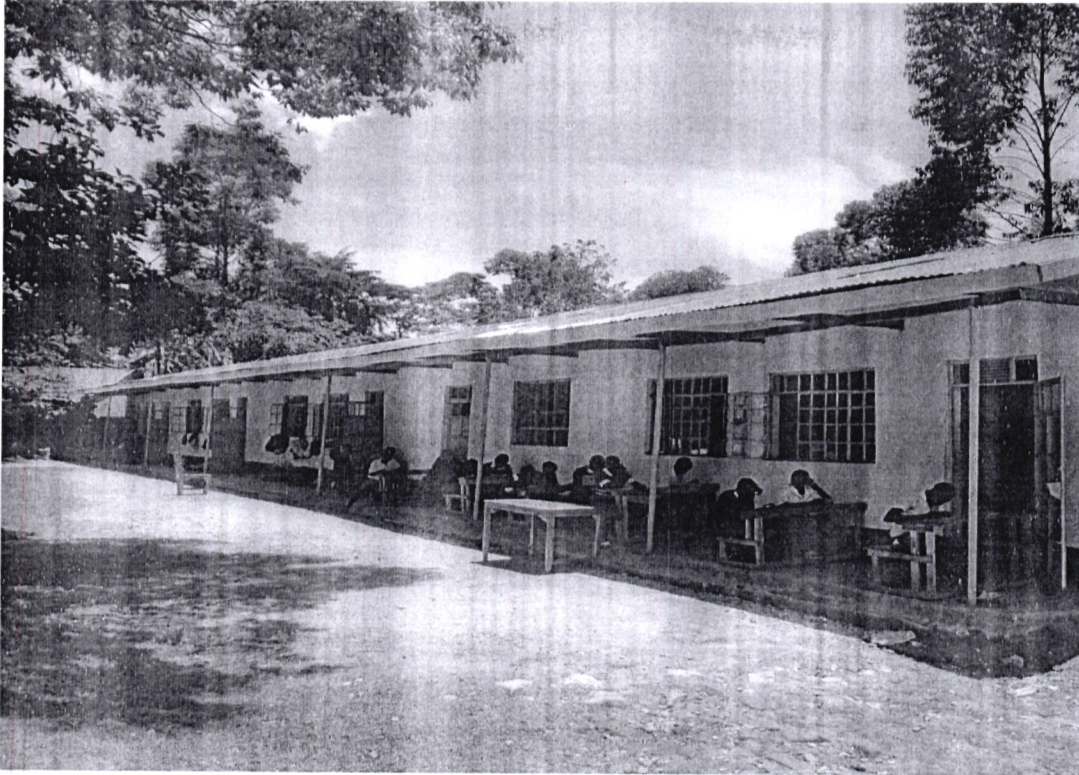
Bar Chart 1: Summary of budget performance against the actual amount for the year 2020/2021

Some of the key achievements for during the financial 2020/2021

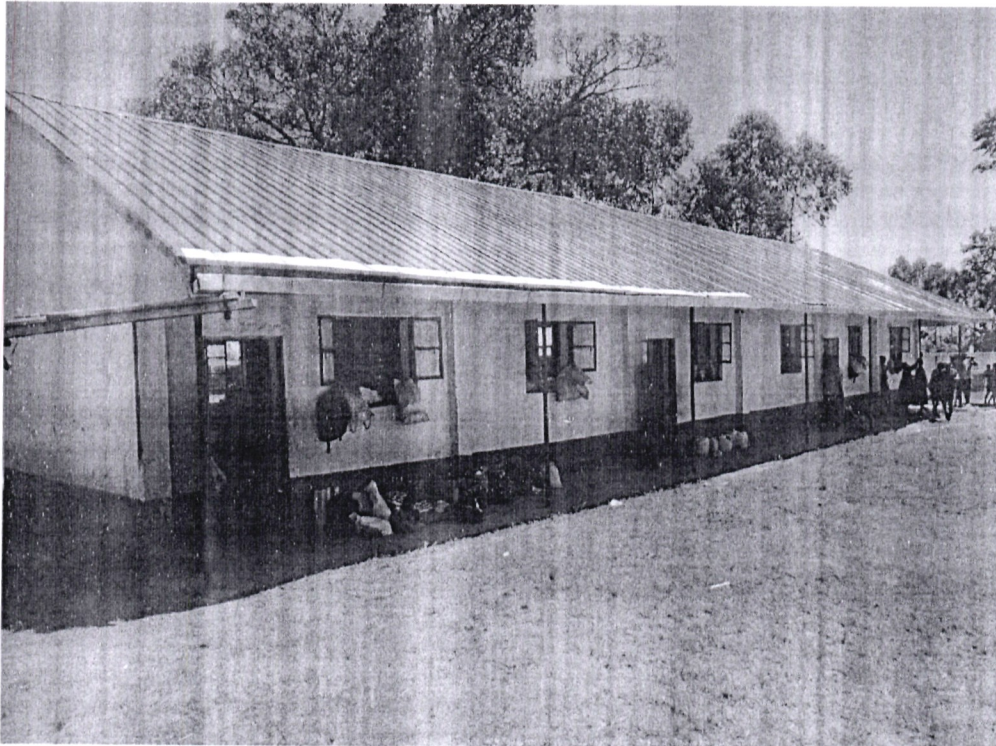
Hamisi NG-CDF achieved much in education sector. Several primary and secondary schools classrooms were constructed including Mwanzo primary school, Gidagadi Primary School, Jinjini Primary School, Kapsogoro Primary School, Kapsotik Primary School, Jebrongo Primary School, Egemeni Primary School, George Khaniri Secondary school, Bishop Sulumeti Girls High School, Bumuyange Secondary School, Gidagadi Secondary School, Malinda secondary school etc. Some of the pictorial presentation for the constructed classrooms achieved during the financial year under review are as follows:-



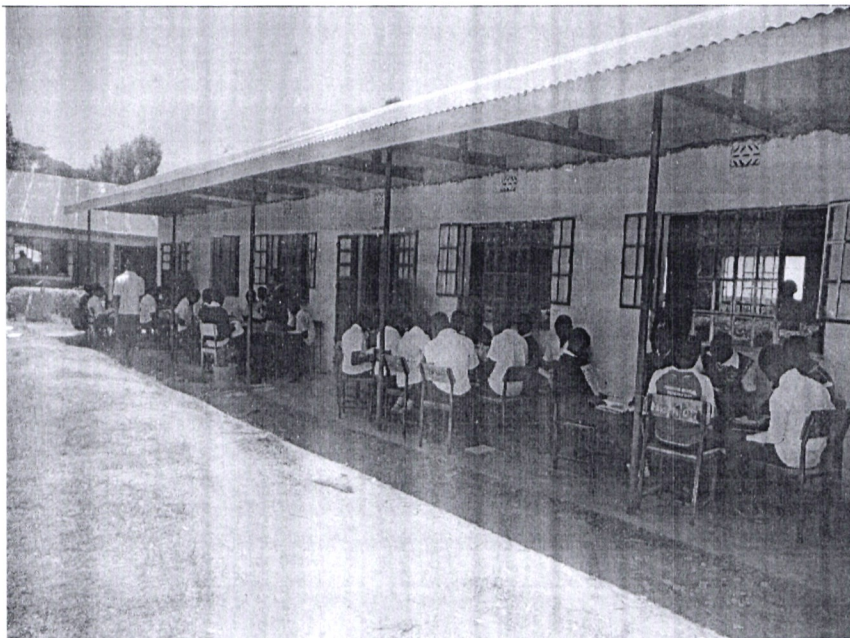
Pic. 1: Bumuyange Secondary School newly constructed 4No. classrooms and an administration block fully funded by Hamisi NG-CDF



Pic. 2: Mwanzo Primary School newly constructed 4No. classrooms fully funded by Hamisi NG-CDF



Pic. 3: Jinjini Primary School newly constructed 3No. classrooms fully funded by Hamisi NG-CDF



Pic. 4: Malinda Secondary School newly constructed 3No. classrooms fully funded by Hamisi NG-CDF

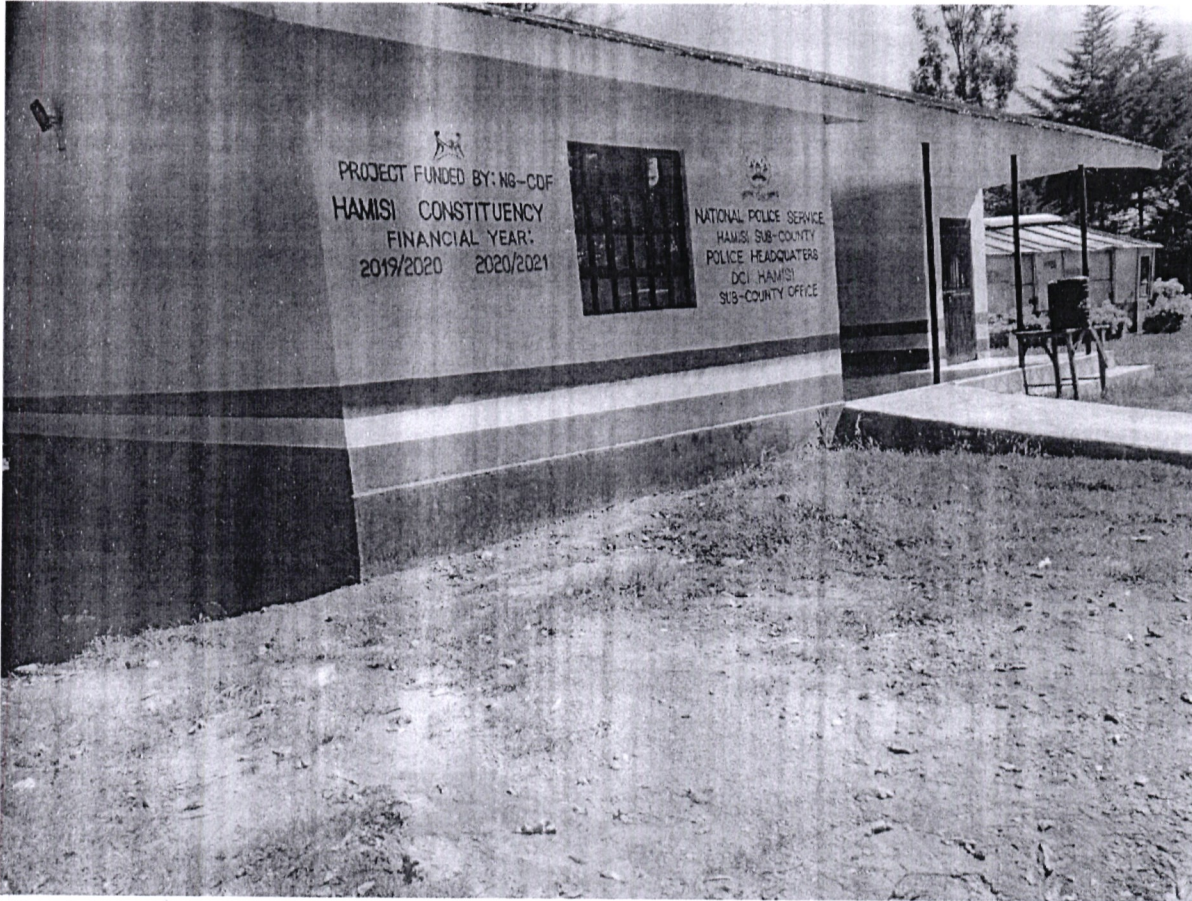
Hamisi NG-CDF also achieved much in renovation of classrooms in primary and secondary schools. Some of the institutions that benefited from renovation of classrooms included Chebunaywa Primary school, Mwembe Primary School, Ivola Primary School, Kabinjari Primary school etc. the following are some of the pictorial presentation of renovated classrooms during the financial year.



Pic. 5: Kabinjari Primary School newly renovated 8No. classrooms fully funded by Hamisi NG-CDF

*Hamisi Constituency
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Hamisi NG-CDF also achieved much in security sector by construction and renovations of police stations and chiefs offices.



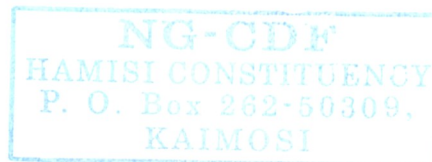
Pic. 6: Serem Police Station newly constructed fully funded by Hamisi NG-CDF

List the implementation challenges and recommended way forward.

- ❖ Shortage of technical officers from the public works to supervise the projects. The NGCDFC has employed a qualified clerk of works to help on the same.
- ❖ Poor road network to some schools. The NGCDFC has liased with KeRRA and County Government on maintenance of roads heading to schools.
- ❖ Delay in disbursement of funds to the Constituency. The treasury to disburse funds on time and lamp sum.
- ❖ Some PMCs taking long to have meetings to pay the contractors leading to delay in implementation. Hamisi NGCDFC to induct the PMCs on importance of hastening implementation of the projects.

Sign

Mr. Robert Serete
CHAIRMAN NG CDF COMMITTEE



III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of *Hamisi Constituency 2018-2022* plan are to:

- a) Improving access to quality education by rehabilitation/ renovation/ Construction of classrooms, sanitary facilities, laboratories, library and boarding facilities, computer labs/ classes in schools in the Constituency, provision of laboratory equipment and ICT facilities to schools, provision of bursary to needy and bright students at all levels of learning
- b) Harnessing youth and women talent and local culture by funding youth and women tournaments
- c) Improving access to safe drinking water by purchase of water pumps, tanks and pipes
- d) Catering for any unforeseen occurrences in the Constituency
- e) Enhancing security in the constituency by construction/ rehabilitation of chiefs offices, police stations and police housing among others
- f) Improving and tracking of implementation of NGCDF programmes
- g) Promoting health and clean environment by planting indigenous trees at the public places

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 2020/21 Hamisi NG-CDF renovated 17 classrooms and constructed 14 classrooms. It also constructed a laboratory at Gamoi Secondary School. - Bursary beneficiaries totalling to 4,890 at all levels benefitted

Hamisi Constituency

National Government Constituencies Development Fund (NGCDF)

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Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office To have modern police stations and posts at the Constituency	Access to quality services Reduced crime rate	- number of usable physical infrastructure build at the locational levels - Number of crimes reported	Hamisi NGCDFC constructed Muhudu Chiefs office and Kipchekwen Assistant chiefs office - The NGCDFC constructed Serem Police Station to completion
Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted - Number of sanitary facilities constructed	During the financial year 2020-2021, Hamisi NGCDFC constructed 24 sanitary facilities - 1,050 indigenous trees planted
Sports	Harnessing youth and women talent	Increased youth and women talents	- Numbers of tournaments held	Hamisi NGCDF committee held one football tournament and one marathon run held during the month of December 2020 and January 2021.
Disaster Management	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Hamisi NGCDF committee allocated Kshs. 7 million under the emergency kitty to cater unforeseen occurrences. Face masks for students and thermo guns were bought for all primary and secondary schools within Hamisi Constituency

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

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

2. Environmental performance

We operate in a physical environment that calls for concerted efforts to ensure its sustainability. We made commitments to our public to;

- ❖ Comply with all relevant environmental legislation, regulations and approved codes of practice protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water.
- ❖ Keep wastage to a minimum and maximize the efficient use of materials and resources.
- ❖ Management and disposal of all wastage in a responsible manner;

- ❖ Provide training for our Committee Members and staff on issues of environment sustenance.
- ❖ Communicate regularly our environmental performance to our employees and other significant stakeholders.
- ❖ Developing our management processes to ensure that environmental factors are considered during planning and implementation.
- ❖ Monitoring and continuously improving our environmental performance.
- ❖ Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance.
- ❖ Promote environmental awareness by sensitizing the NG-CDFC, NG-CDFC staff and PMCs on good conservation practices.
- ❖ To encourage, through regular communication to NG-CDFC, staff, and other stakeholders changes in individual behaviour to reduce usage Conservation of Energy and Resources To maximize use of available technologies to remove the need to use paper.

3. Employee welfare

We invest in providing the best working environment for our employees. Xxx 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. Hamisi 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-

Hamisi NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Hamisi 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.

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

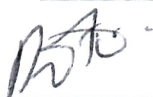
The Accounting Officer in charge of the NGCDF-Hamisi Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Hamisi Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Hamisi 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 Hamisi Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Hamisi Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.



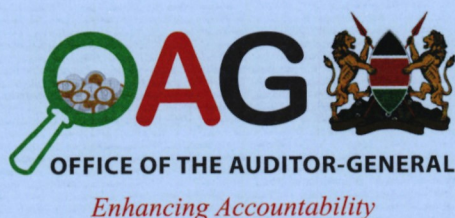
Chairman NGCDF Committee
Name: Robert Serete



Fund Account Manager
Name: Silverius M. Wakoli

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Hamisi Constituency set out on pages 17 to 58,

Report of the Auditor-General on National Government Constituencies Development Fund - Hamisi Constituency for the year ended 30 June, 2021

which comprise of the statement of assets and liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Hamisi Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Unsupported Payments of Allowances

The statement of receipts and payments reflects use of goods and services amount of Kshs.16,214,635 as disclosed in Note 5 to the financial statements which includes other Committee expenses amount of Kshs.5,716,990. Review of documents provided for audit revealed that the amount included double payment of allowances amounting to Kshs.345,000 to the Constituency Development Fund Committee Members attending committee meetings while attending monitoring and evaluation meeting on the same dates .

In addition, included in the use of goods is an amount of Kshs.3,412,500 in respect to Committee Allowances. This amount included a payment of Kshs.250,000 for transport and lunch allowances to fifty (50) people during a ward forum in Gisambai, Jepkoyai and Tambua Wards. However, documents detailing purpose of the meetings, the program and minutes of deliberations of the three meetings were not provided for audit review. Further, attendance schedules were prepared by one person instead of each participant and Management provided one report yet there were three separate meetings.

In the circumstances, the accuracy and completeness of use of goods expenditure of Kshs.595,000 could not be confirmed.

2. Inaccuracies in Comparative Amounts

The budget execution by sectors and projects as disclosed in Note 17.3 to the financial statements reflects comparative balances which differ with those reflected in the audited financial statements for 2019/2020 financial year as tabulated below:

Item	Comparative Amount as per 2020/2021 Financial Statements (Kshs.)	Amount as 2019/2020 Audited Financial Statements (Kshs.)	Variance (Kshs.)
Compensation of employees	521,993	2,363,738	(1,841,745)
Use of goods and services	8,834,818	4,917,384	3,917,434
Amounts due to other government entities	51,700,000	51,131,034	(568,966)
Amounts due to other grants and other transfers	10,497,240	12,377,638	(1,880,398)
Acquisition of assets	6,600,000	5,800,000	800,000
Others	1,900,000	3,069,257	(1,169,257)

In the circumstances, the accuracy of financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Hamisi 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actuals on a comparable basis of Kshs.217,142,930 and Kshs.172,054,051 respectively resulting to an under-funding of Kshs.45,088,879 or 21% of the budget. Similarly, the Fund spent Kshs.150,398,860 against an approved budget of Kshs.217,142,930 resulting to an under-expenditure of Kshs.66,744,070 or 31% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Payment of Sitting Allowance for Excess Meetings

Review of records revealed that the Fund paid Committee and Sub-Committee members sitting allowances amounting to Kshs.2,873,000 for thirty-one (31) meetings contrary to the provisions of Section 43(11) of the National Government Constituencies Development Fund Act, 2015 which provides that the Constituency Committee to meet at least six times in a year, but the Committee shall not hold more than twenty-four (24) meetings in the same financial year, including sub-committee meetings. In addition, the Constituency Manager, was paid sitting allowances for being in attendance in the committee meetings.

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

2. Irregular Expenditure on Committee Allowances

During the year under review, the Fund paid Kshs.180,000 in respect of allowances to twelve (12) Constituency Development Fund Members for three (3) days being reimbursement of transport and lunches during quarter, semi and final sports tournaments. However, the invitation letters for the tournaments were not provided for audit review.

In addition, the Fund paid Kshs.744,000 as Bursary Sub-Committee allowances for distribution of bursary application forms and cheques in the constituency for a total of eighteen (18) days. Management did not explain why Committee Members were paid allowances for duties expected to be performed by employees of the Fund. This was contrary to Regulation 43(b) of Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the public funds entrusted to their care are properly safeguarded and are applied for the purposes for only which they were intended and appropriated by National Assembly.

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

Report of the Auditor-General on National Government Constituencies Development Fund - Hamisi Constituency for the year ended 30 June, 2021

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 the 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 overall

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a


Report of the Auditor-General on National Government Constituencies Development Fund - Hamisi Constituency for the year ended 30 June, 2021

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 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 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 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

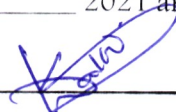
23 September, 2022


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


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	166,067,724	119,540,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		166,067,724	119,540,876
PAYMENTS			
Compensation of employees	4	3,144,948	2,482,267
Use of goods and services	5	16,214,635	7,713,060
Transfers to Other Government Units	6	95,125,000	81,000,000
Other grants and transfers	7	31,314,278	38,247,193
Acquisition of Assets	8	4,600,000	-
Other Payments	9	-	1,621,794
TOTAL PAYMENTS		150,398,860	131,064,314
SURPLUS/DEFICIT		15,668,864	(11,523,439)

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


 Fund Account Manager
 Name: Silverius M. Wakoli


 National Sub-County
 Accountant
 Name: Roselyne Awino
 ICPAK M/No: 14378

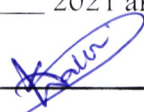

 Chairman NG-CDF Committee
 Name: Robert Serete




VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	21,655,190	5,986,327
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		21,655,190	5,986,327
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		21,655,190	5,986,327
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		21,655,190	5,986,327
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	5,986,327	16,638,266
Prior year adjustments	14	-	871,500
Surplus/Deficit for the year		15,668,864	(11,523,439)
NET FINANCIAL POSITION		21,655,190	5,986,327
		-	-


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



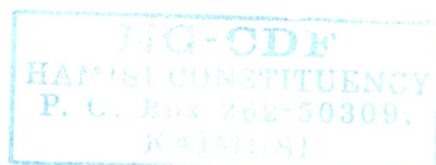
Fund Account Manager
Name: Silverius M. Wakoli



**National Sub-County
Accountant**
Name: Roselyne Awino
ICPAK M/No: 14378



Chairman NG-CDF Committee
Name: Robert Serete

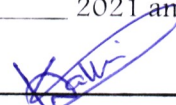



Hamisi Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


STATEMENT OF CASHFLOW

		2020-2021	2019-2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	166,067,724	119,540,876
Other Receipts	3	-	-
		166,067,724	119,540,876
Payments for operating activities			
Compensation of Employees	4	3,144,948	2,482,267
Use of goods and services	5	16,214,635	7,713,060
Transfers to Other Government Units	6	95,125,000	81,000,000
Other grants and transfers	7	31,314,278	38,247,193
Other Payments	9	-	1,621,794
		145,798,860	131,064,314
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	871,500
Net Adjustments		-	871,500
Net cash flow from operating activities		20,268,864	(10,651,939)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(4,600,000)	-
Net cash flows from Investing Activities		(4,600,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		15,668,864	(10,651,939)
Cash and cash equivalent at BEGINNING of the year	10	5,986,327	16,638,266
Cash and cash equivalent at END of the year		21,655,191	5,986,327

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


 Fund Account Manager
 Name: Silverius M. Wakoli


 National Sub-County
 Accountant
 Name: Roselyne Awino
 ICPAK M/No: 14378


 Chairman NG-CDF Committee
 Name: Robert Serete



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

IX. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget		Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d				
RECEIPTS								
Transfers from NG-CDF Board	137,088,879	5,986,327	74,067,724		217,142,930	172,054,051	45,088,879	79%
Proceeds from Sale of Assets								
Other Receipts								
TOTAL RECEIPTS	137,088,879	5,986,327	74,067,724		217,142,930	172,054,051	45,088,879	79%
PAYMENTS								
Compensation of Employees	2,850,000	-	521,993		3,371,993	3,144,948	227,046	93%
Use of goods and services	8,117,110	1,400,747	7,434,071		16,951,928	16,214,635	737,293	96%
Transfers to Other Government Units	86,250,000	-	51,700,000		137,950,000	95,125,000	42,825,000	69%
Other grants and transfers	35,611,769	4,585,580	7,811,660		48,009,009	31,314,278	16,694,731	65%
Acquisition of Assets	4,260,000	-	6,600,000		10,860,000	4,600,000	6,260,000	42%
Other Payments	-	-	-		-	-	-	
Funds pending approval	-	-	-		-	-	-	
TOTAL	137,088,879	5,986,327	74,067,724		217,142,930	150,398,860	66,744,070	69%

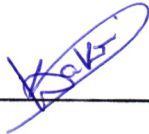
***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

- The adjustments (Column b) of Kshs. 74,067,724 is the total amount owed at the Constituency as at 30th June 2020 plus opening cash book as at 1st July 2020 of Kshs. 5,986,327*
- The budget utilization of Kshs. 45,088,879 is the amount owed to the Constituency as at 30th June 2021*
- The underutilization was as a result of delay in disbursement of funds as at 30th June 2021 while the overutilization was as a result of late disbursement of funds from the financial year 2019-2020 which was utilized in the financial year 2020-2021*

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	66,744,070
Less undisbursed funds receivable from the Board as at 30th June 2021	45,088,879
	21,655,190
Add Accounts payable	
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	21,655,190

The NGCDF-Hamisi Constituency financial statements were approved on _____ 2021 and signed by:



Fund Account Manager
Name: Silverius M. Wakoli



National Sub-County Accountant
Name: Roselyne Awino
ICPAK M/No: 14378



Chairman NG-CDF Committee

Name: Robert Serete



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

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,850,000	-	521,993	3,371,993	3,144,948	227,046	93
1.2 Committee allowances	2,368,000	741,745	932,200	4,041,945	3,412,500	629,445	84
1.3 Use of goods and services	1,636,444	-	773,468	2,409,912	2,400,000	9,912	100
Total	6,854,444	741,745	2,227,661	9,823,850	8,957,448	866,402	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,400,000		1,877,362	3,277,362	3,269,828	7,534	100
2.2 Committee allowances	1,300,000	659,002	3,818,764	5,777,766	5,716,990	60,776	99
2.3 Use of goods and services	1,412,666		32,277	1,444,943	1,415,317	29,626	98
Total	4,112,666	659,002	5,728,403	10,500,071	10,402,135	97,936	99
3.0 Emergency	7,192,207	1,000,000	261,660	8,453,867	8,243,778	210,089	98
3.1 Primary Schools	-	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-	-
3.5 Unutilised	-	-	-	-	-	-	-

Total	7,192,207	1,000,000	261,660	8,453,867	8,243,778	210,089	
4.0 Bursary and Social Security				-			
4.1 Secondary Schools	10,000,000	-	-	10,000,000	8,607,000	1,393,000	86
4.2 Tertiary Institutions	7,000,000	-	-	7,000,000	2,899,000	4,101,000	41
4.3 Social Security	540,000	-	720,000	1,260,000	-	1,260,000	-
4.4 Special Needs	800,000	-	130,000	930,000	135,000	795,000	15
Total	18,340,000	-	850,000	19,190,000	11,641,000	7,549,000	
5.0 Sports				-			
5.1	2,661,778	85,580		2,747,358	2,714,500	32,858	99
Total	2,661,778	85,580	-	2,747,358	2,714,500	32,858	
6.0 Environment							
6.1 Kinu Primary School	300,000			300,000	300,000	-	100
6.2 Malinda Secondary School	800,000		-	800,000	400,000	400,000	50
6.3 Hamisi NGCDF Office	317,784			317,784	315,000	2,784	99
6.4 Kimaran Primary School	200,000		600,000	800,000	800,000	-	100
6.5 Givole Secondary School			600,000	600,000	600,000	-	100
6.6 Jinjini Primary School			100,000	100,000	100,000	-	100
Total	1,617,784	-	1,300,000	2,917,784	2,515,000	402,784	
7.0 Primary Schools Projects							
Bahati Primary School	300,000			300,000	300,000	-	100
Boyani Primary School	800,000		800,000	1,600,000	1,000,000	600,000	63

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

Bumbo Primary School	300,000			300,000		300,000	-
Bumbo Primary School	400,000			400,000		400,000	-
Buyangu Primary School	1,600,000			1,600,000	1,000,000	600,000	63
Chebunaywa Primary School	900,000			900,000	900,000	-	100
Chepsaga Primary School	800,000			800,000	800,000	-	100
Chptech Primary School			3,000,000	3,000,000	3,000,000	-	100
Egemeni Primary School	4,200,000		4,000,000	8,200,000	5,000,000	3,200,000	61
Erusui Boys Primary School	500,000			500,000		500,000	-
Friends primary School Givogi	600,000		300,000	900,000	900,000	-	100
Gamalenga Primary School			800,000	800,000	800,000	-	100
Gambaragai Primary School	950,000			950,000		950,000	-
Gidagadi Primary School	2,000,000		1,000,000	3,000,000	2,000,000	1,000,000	67
Gidimo Primary School			1,200,000	1,200,000	1,200,000	-	100
Gimengwa Primary School			600,000	600,000	600,000	-	100
Gimomoi Primary School			700,000	700,000	700,000	-	100
Givogi Primary School	1,000,000		1,000,000	2,000,000	1,000,000	1,000,000	50
Givole Primary School			700,000	700,000	700,000	-	100
Givudemesi Primary School			200,000	200,000	200,000	-	100
Goibei Primary School	200,000			200,000	200,000	-	100
Ikonza ADC Primary School			500,000	500,000	500,000	-	100
Itiengere Primary School			200,000	200,000	200,000	-	100
Ivola Primary School	1,800,000			1,800,000	1,000,000	800,000	56

Ivumbu Primary School	1,200,000				1,200,000	1,200,000	-	100
Jamulongoji Primary School	1,300,000				1,300,000	1,000,000	300,000	77
Jebilebuk Primary School	1,600,000				1,600,000	1,600,000	-	100
Jebrongo Primary School	4,000,000			4,000,000	8,000,000	4,000,000	4,000,000	50
Jeptorol Primary School				250,000	250,000	250,000	-	100
Jidereri Primary School	1,200,000				1,200,000	1,200,000	-	100
Jinjini Primary School	800,000			1,000,000	1,800,000	1,800,000	-	100
Jivuye Primary School	1,300,000				1,300,000	500,000	800,000	38
Kabinjari primary School	1,600,000				1,600,000	1,600,000	-	100
Kaimosi Demo Primary School	1,200,000				1,200,000	1,200,000	-	100
Kamuluguywa Primary School	800,000			200,000	1,000,000	1,000,000	-	100
Kapchemgung Primary School	700,000			300,000	1,000,000	600,000	400,000	60
Kapchorwa ADC Primary School				850,000	850,000	850,000	-	100
Kapsegeli Primary School	1,000,000				1,000,000	1,000,000	-	100
Kapsogoro Primary School	500,000			500,000	1,000,000	1,000,000	-	100
Kapsoi Primary School				800,000	800,000	800,000	-	100
Kapsoitik Primary School	400,000			700,000	1,100,000	700,000	400,000	64
Kaptik Primary School	500,000			500,000	1,000,000	500,000	500,000	50
Kaptis Primary School	1,200,000			1,000,000	2,200,000	1,400,000	800,000	64
Kipsigor Primary School	1,600,000				1,600,000	800,000	800,000	50
Kitagwa Primary School	700,000				700,000	700,000	700,000	-

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

Kitambazi Primary School	500,000	-	-	500,000	-	500,000	-
Luther Primary School	800,000	-	-	800,000	-	800,000	-
Lwombei Primary School	1,000,000	-	-	1,000,000	-	1,000,000	-
Mahanga Primary School	500,000	-	-	500,000	-	500,000	-
Makuchi Primary School	2,500,000	-	-	2,500,000	2,500,000	-	100
Malinda Primary School	400,000	-	-	400,000	400,000	-	100
Mudindi Primary School	1,800,000	-	-	1,800,000	-	1,800,000	-
Muhudu Primary School	700,000	-	-	700,000	-	700,000	-
Mukisangula Primary School	1,000,000	-	-	1,000,000	-	1,000,000	-
Munzatsi Primary School	-	-	500,000	500,000	500,000	-	100
Musawa Primary School	-	-	300,000	300,000	300,000	-	100
Museywa Primary School	800,000	-	1,200,000	2,000,000	1,200,000	800,000	60
Musiri Primary School	800,000	-	800,000	1,600,000	800,000	800,000	50
Musudzu Primary School	400,000	-	-	400,000	-	400,000	-
Mutave Primary School	800,000	-	1,500,000	2,300,000	2,000,000	300,000	87
Mutiva Primary School	600,000	-	-	600,000	600,000	-	100
Mwanzo ADC Primary School	600,000	-	2,000,000	2,600,000	2,000,000	600,000	77
Mwembe Primary School	1,700,000	-	1,000,000	2,700,000	2,325,000	375,000	86
Saosi Primary School	1,700,000	-	-	1,700,000	1,700,000	-	100
Shipala Primary School	600,000	-	-	600,000	600,000	-	100
Siekuti Primary School	400,000	-	500,000	900,000	500,000	400,000	56
Simbi Primary School	-	-	500,000	500,000	500,000	-	100
Zululu Primary School	800,000	-	-	800,000	800,000	-	100
Total	56,350,000	-	33,400,000	89,750,000	61,725,000	28,025,000	69

8.0 Secondary Schools Projects									
Bishop Sulumeti Sec	4,800,000			400,000	5,200,000	5,200,000	-		100
Bumuyange Secondary School	400,000			1,100,000	1,500,000	1,500,000	-		100
Chebunaywa Secondary School				700,000	700,000	700,000	-		100
Dr. Gimose Secondary School	800,000			2,200,000	3,000,000	2,200,000	800,000		73
Dr. Maurice Dangana Sec. School	2,700,000			4,000,000	6,700,000	4,000,000	2,700,000		60
Gamalenga Secondary School	800,000				800,000		800,000		-
Gamoi Secondary School	2,000,000	-		-	2,000,000	1,000,000	1,000,000		50
George Khaniri Secondary Jepkoyai	3,000,000	-		-	3,000,000	1,500,000	1,500,000		50
Gidagadi Secondary School	1,000,000	-		1,000,000	2,000,000	1,000,000	1,000,000		50
Gimarian Secondary School	-	-		600,000	600,000	600,000	-		100
Gimengwa Secondary School	-	-		1,000,000	1,000,000	1,000,000	-		100
Kapchemgung Secondary School	700,000			-	700,000		700,000		-
Kapsotik Secondary School	1,800,000	-		2,000,000	3,800,000	2,000,000	1,800,000		53
Kaptik Secondary School	-	-		900,000	900,000	900,000	-		100
Kitagwa Secondary School	2,800,000				2,800,000	500,000	2,300,000		18
Makuchi Secondary School	500,000				500,000		500,000		-
Malinda Secondary School	900,000	-		-	900,000	500,000	400,000		56
Muhudu Secondary School	-	-		300,000	300,000	300,000	-		100

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Muhaya Secondary school	2,000,000	-	3,000,000	5,000,000	5,000,000	-	100
Munzatsi Secondary School	400,000	-	-	400,000	400,000	-	100
Musiri Secondary School	3,000,000	-	-	3,000,000	2,500,000	500,000	83
Simbi Secondary School	500,000	-	-	500,000	500,000	-	100
St. Johns Cheptech Sec. Sch.	1,800,000	-	700,000	700,000	700,000	-	100
St. veronica Kimaran Girls	1,800,000	-	-	1,800,000	1,000,000	800,000	56
Muyere Secondary School	-	-	400,000	400,000	400,000	-	100
Total	29,900,000	-	18,300,000	47,800,000	33,400,000	14,800,000	
9.0 Tertiary institutions Projects							
Total	-	-	-	-	-	-	
10.0 Security Projects							
Gambogi Police Station	2,500,000	-	3,000,000	5,500,000	5,500,000	5,500,000	-
Kipchekwen Ass. Chiefs office	700,000	-	-	700,000	700,000	700,000	-
Muhudu Chiefs Office	800,000	-	600,000	1,400,000	600,000	800,000	43
Serem Police Station	1,300,000	-	-	1,300,000	1,300,000	-	100
Jepses AP Line	-	-	1,000,000	1,000,000	-	1,000,000	-
Tambua DOs Office	500,000	2,000,000	-	2,500,000	2,000,000	500,000	80
Shaviringa ACCs Office	-	-	400,000	400,000	400,000	-	100
Total	5,800,000	2,000,000	5,000,000	12,800,000	4,300,000	8,500,000	
11.0 Acquisition of assets							
11.1 Motor Vehicles	1,260,000	-	5,000,000	6,260,000	6,260,000	6,260,000	-
11.2 Construction of CDF office	3,000,000	-	1,600,000	4,600,000	4,600,000	-	100
11.3 Purchase of furniture and equipment	-	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-	-
Total	4,260,000	-	6,600,000	10,860,000	4,600,000	6,260,000	

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-Hamisi Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

a) Recognition of Receipts

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

Transfers from the National Government Constituency Development Fund (NG-CDF)

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the entity at the end of the financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
	AIE NO. B096950	15,000,000	
Normal Allocation	AIE NO.B104566	3,500,000	
	AIE NO.B104600	19,000,000	
	AIE NO.B104809	400,000	
	AIE NO.B104805	800,000	
	AIE NO.A823515	35,367,724	
	AIE NO.B124519	9,000,000	
	AIE NO.B124943	8,500,000	
	AIE NO.B119798	12,000,000	
	AIE NO.B128088	6,900,000	
	AIE NO.B128398	7,000,000	
	AIE NO.B132143	6,000,000	
	AIE NO.B138811	12,000,000	
	AIE NO.B126107	7,000,000	
	AIE NO.B125396	11,600,000	
	AIE NO.B140542	12,000,000	
	B047171		46,540,876
	B047419		4,000,000
	B047777		16,000,000
	B047830		7,000,000
	B049269		15,000,000
	B104291		15,000,000
	B096560		11,000,000
	B096778		5,000,000
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		166,067,724	119,540,876

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2. PROCEEDS FROM SALE OF ASSETS

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

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,661,340	2,274,907
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	1,278,828	-
Employer Contributions Compulsory national social security schemes	204,780	207,360
TOTAL	3,144,948	2,482,267

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5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	70,000	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	3,269,828	-
Hospitality supplies and services	-	-
Other committee expenses	5,716,990	1,317,000
Committee allowance	3,412,500	2,423,800
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	3,634,597	3,972,260
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	110,720	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
TOTAL	16,214,635	7,713,060

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	61,725,000	58,400,000
Transfers to Secondary Schools	33,400,000	22,100,000
Transfers to Tertiary Institutions	-	1,000,000
TOTAL	95,125,000	81,500,000

*Hamisi Constituency**National Government Constituencies Development Fund (NGCDF)**Reports and Financial Statements for The Year Ended June 30, 2021***7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary (see attached list)	8,607,000	17,759,500
Bursary -Tertiary (see attached list)	2,899,000	4,798,000
Bursary- Special Schools	135,000	1,417,000
Mocks & CAT (see attached list)	-	-
Electricity	400,000	-
Social Security programmes (NIIF)	-	-
Security Projects (see attached list)	4,300,000	2,500,000
Roads (See attached list)	1,500,000	-
Sports Projects (see attached list)	2,714,500	-
Environment Projects (see attached list)	2,515,000	2,747,700
Emergency Projects (see attached list)	8,243,778	8,524,993
TOTAL	31,314,278	37,747,193

8. ACQUISITION OF ASSETS

Non Financial Assets	2020 - 2021	2019 - 2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	4,600,000	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and General Equipment	-	-
Purchase of computers ,printers and other IT equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	4,600,000	-

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	1,621,794
ICT Hub	-	-
	-	1,621,794

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2020 - 2021	2019 - 2020
		Kshs	Kshs
		(30/6/2021)	(30/6/2020)
<i>Kenya Commercial Bank, Mbale Branch . Hamisi NG-CDF</i>	<i>A/C no. 1102380598</i>	21,655,190	5,986,327
		-	-
		-	-
TOTAL		21,655,190	5,986,327

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

	2020-2021	2019-2020
	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	-	-

12B. GRATUITY

	2020-2021	2019-2020
	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	-	-

13. BALANCES BROUGHT FORWARD

	2020- 2021	2019- 2020
	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	5,986,327	16,638,266
Cash in hand		
Imprest		
TOTAL	5,986,327	16,638,266

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020- 2021	2019- 2020
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	8,986,818	-
Imprest surrendered during the Year (C)	8,986,818	-
Net changes in accounts receivables (D=A+B-C)	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	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	-	-

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

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17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020- 2021	2019- 2020
	Kshs	Kshs
NGCDF Staff	1,884,000	-
Others (specify)	-	-
	1,884,000	-

Note: Hamisi NG-CDF will budget for Kshs. 1,884,000 during the financial year 2021-2022 as gratuity for staff for the year 2020-2021

17.3: UNUTILIZED FUND (See Annex 3)

	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation of employees	227,046	521,993
Use of goods and services	737,293	8,834,818
Amounts due to other Government entities (see attached list)	42,825,000	51,700,000
Amounts due to other grants and other transfers (see attached list)	16,694,731	10,497,240
Acquisition of assets	6,260,000	6,600,000
Others (specify)	-	1,900,000
Funds pending approval	-	-
Total	66,744,070	80,054,051

17.4: PMC account balances (See Annex 5)

	2020- 2021	2019- 2020
	Kshs	Kshs
PMC account balances (see attached list)	5,509,867	5,218,769
	5,509,867	5,218,769

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
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.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2021	Comments
NG-CDFC Staff				
1. Samson M. Okumu	IT Officer / Accounts Assistant	01st August, 2013	624,000	
2. Wilhight Idah	Clerk of Works	2nd September 2018	420,000	
3. Mauline Mireho Elegwa	Records Management Officer	01st August 2018	300,000	
4. Wycliffe Shisiali Muya	Messenger	01st August, 2013	180,000	
5. Mercy Kaduka Agitsa	Clerical officer	1st August 2018	180,000	
6. Julius Kipsaina	Office Assistant	1st August 2018	180,000	
Sub-Total			1,884,000	
Grand Total			1,884,000	

Note: Hamisi NG-CDF will budget for Kshs. 1,884,000 during the financial year 2021 - 2022 as gratuity for staff for the year 2020-2021

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		227,046	2,363,738	
Use of goods & services		737,293	4,912,384	
Amounts due to other Government entities				
a) Primary School Projects				
Boyani Primary School		600,000		
Bumbo Primary School		300,000		
Bumbo Primary School		400,000		
Buyangu Primary School		600,000		
Egemeni Primary School		3,200,000		
Erusui Boys Primary School		500,000		
Gambaragai Primary School		950,000		
Gidagadi Primary School		1,000,000		
Givogi Primary School		1,000,000		
Ivola Primary School		800,000		
Jamulongoji Primary School		300,000		
Jebrongo Primary School		4,000,000		
Jivuye Primary School		800,000		
Kapchemgung Primary School		400,000		

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Kapsofik Primary School			400,000	
Kaptik Primary School			500,000	
Kaptis Primary School			800,000	
Kipsigor Primary School			800,000	
Kitagwa Primary School			700,000	
Kitambazi Primary School			500,000	
Luther Primary School			800,000	
Lwombei Primary School			1,000,000	
Mahanga Primary School			500,000	
Mudindi Primary School			1,800,000	
Muhudu Primary School			700,000	
Mukisangula Primary School			1,000,000	
Museywa Primary School			800,000	
Musiri Primary School			800,000	
Musudzu Primary School			400,000	
Mutave Primary School			300,000	
Mwanzo ADC Primary School			600,000	
Mwembe Primary School			375,000	
Siekuti Primary School		28,025,000	400,000	
b) Secondary School Projects				
Dr. Gimose Secondary School Jeviriri			800,000	
Dr. Maurice Dangana Sec. School			2,700,000	
Gamalenga Secondary School			800,000	
Gamoi Secondary School			1,000,000	

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George Khaniri Secondary Jepkoyai			1,500,000	
Gidagadi Secondary School			1,000,000	
Kapchemgung Secondary School			700,000	
Kapsotik Secondary School			1,800,000	
Kitagwa Secondary School			2,300,000	
Makuchi Secondary School			500,000	
Malinda Secondary School			400,000	
Musiri Secondary School			500,000	
St. veronica Kimaran Girls			800,000	
		14,800,000		
		42,825,000		51,700,000
Amounts due to other grants and other transfers				
a) Security Projects				
Gambogi Police Station			5,500,000	
Kipchekwen Ass. Chiefs office			700,000	
Muhudu Chiefs Office			800,000	
Jepses AP Line			1,000,000	
Tambua DOs Office			500,000	
		8,500,000		
Environment Projects				
Malinda Secondary School			400,000	
Hamisi NGCDF Office			2,784	
		402,784		
Bursary and Social Security				
				10,497,240

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	3,500,000	-	-	3,500,000
Transport equipment	319,770	-	-	319,770
Office equipment, furniture and fittings	99,300	-	-	99,300
ICT Equipment, Software and Other ICT Assets	588,000	-	-	588,000
Other Machinery and Equipment	31,150	-	-	31,150
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	4,538,220	-	-	4,538,220

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance	Bank Balance
			30th June 2021	30th June 2020
Bahati Primary School	KCB MBALE	1206718412	514	779
Banja Muslim Pri.School	KCB MBALE	1126380296	-	7,225
Bishop Chabuga ADC Primary	KCB MBALE	1206556234	-	756
Bishop Sulumeti Girls School	KCB MBALE	1280326077	13,360	-
Boyani Primary School	KCB MBALE	1102269158	243,136	8,736
Bulukhombe Pri.School	KCB MBALE	1265986797	-	8,790
Bumira Primary School	KCB SEREM	1266390693	-	1,000
Bumira Secondary School	KCB SEREM	1139175238	-	869
Bumuyange Primary School	KCB SEREM	1101627867	-	3,871
Bumuyange Sec.School	KCB SEREM	1200684737	402,142	-
Butiti Primary School	KCB	1265832129	-	1,290
Buyangu Primary School	KCB CENTRAL-KAKAMEGA	1166959996	299,659	-
Chebunaywa Sec. School	KCB MBALE	1260682447	117	-
Chepsaga Primary School	KCB MBALE	1111134030	41,261	379
Cheptech Primary School	KCB SEREM	1114695998	1,147	-
Cheptembu Primary School	KCB MBALE	1171212607	-	5,102
Cheptulu Police Station	KCB SEREM	1273551877	-	395
Deputy County Commissioner	KCB MBALE	1208679031	-	11,564
Dr. Gimose Sec. Jeviriri	KCB SEREM	1166786706	20,061	624,417
Dr. Maurice Danganana Sec.	KCB SEREM	125372516	20,738	-
Egemeni Primary School	KBC SEREM	1210821133	4,748	1,660
Erusui Girls Primary School	KCB SEREM	1272260879	-	37,800
Friends Givavei Special Sch.	KCB MBALE	1266279563	-	1,395
Friends Kaimosi Primary	KCB SEREM	1167036670	18,409	-
Friends Pri. School Givogi	KBC MBALE	1235866351	32,704	10,330
Munzatsi Secondary School	KCB MBALE	1179265904	191,572	1,127
Gamalenga Primary School	KBC MBALE	1103652745	12,207	-
Gambaragai Primary School	KCB MBALE	1266250360	-	940
Gamoi Secondary School	KCB MBALE	1147423229	7,488	1,000,488
George Khaniri Sec. Jepkoyai	KCB MBALE	1274572053	713,412	698,790
Gidagadi Primary School	KCB MBALE	1272997456	2,249	375
Gidagadi Secondary School	KCB MBALE	1276717873	97,558	-

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Gidimo Primary School	KCB MBALE	1126220779	32,787	3,039
Gimarakwa Primary School	KCB MBALE	1238624855	-	6,324
Gimarian Primary School	KCB MBALE	1270072013	-	455
Gimarian Secondary School	KCB MBALE	1266268804	2,070	1,600
Gimengwa Primary School	KCB MBALE	1271216612	30,973	1,075
Gimengwa Sec. School	KCB MBALE	1101794909	5,744	1,203
Gimomoi Primary School	KCB MBALE	1101936290	894	-
Givogi Primary School	KCB MBALE	1277193088	16,249	-
Givole Primary School	KCB MBALE	1112506136	3,226	2,226
Givole Secondary School	KCB MBALE	1218529180	1,203,275	1,145
Givudemesi Primary School	KCB MBALE	1154264310	-	795
Goibei Primary School	KCB SEREM	1103652745	2,843	-
Hamisi Primary School	KCB SEREM	1172671117	-	897
Ikonza Primary School	KCB MBALE	1101357642	-	604
Itiengere Primary School	KCB MBALE	1101936703	1,985	-
Itovo Primary School	KCB MBALE	1116181452	-	373,542
Ivola Primary School	KCB SEREM	1101799617	169,829	88,582
Ivumbu Primary School	KCB SEREM	1101818397	400	2,520
Jamulongoji Primary School	KCB SEREM	1101842903	819	1,269
Jeblabuk Primary School	KCB MBALE	1109395337	5,645	771
Jebrongo Primary School	KCB MBALE	1102263486	6,297	7,623
Jeptorol Primary School	KCB MBALE	1112203516	3,132	1,269
Jidereri Primary School	KCB SEREM	1169487629	988	440
Jimarani Primary School	KCB MBALE	1101840811	-	139,402
Jinjini Primary School	KCB SEREM	1260971821	1,060	1,060
Jivuye Primary School	KCB SEREM	1173389458	1,809	-
Kabinjari Primary School	KCB SEREM	1271844508	3,609	2,880
Kaimosi Demo Primary	KCB SEREM	1173505288	32,215	2,560
Kamuluguywa Pri. School	KCB SEREM	1124388680	319,380	-
Kapchemgung Pri. School	KCB MBALE	1172733805	584	324
Kapchorwa ADC Primary	KCB SEREM	1197908056	2,135	252,635
Kapsegeli Primary School	KCB SEREM	1258772175	18,449	49
Kapsogoro Primary School	KCB SEREM	1125634243	275	275
Kapsoi Primary School	KCB SEREM	1160032092	1,979	-
Kapsotik Primary School	KCB SEREM	1271636468	87,269	484,395
Kapsotik Secondary School	KCB SEREM	1109833229	4,060	-
Kaptik Primary School	KCB SEREM	1173430970	27,455	-
Kaptik Secondary School	KCB SEREM	1102282170	428,401	110,236
Kaptis Primary School	KCB SEREM	1278238662	2,400	516

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Kimarani Primary School	KCB SEREM	1102343161	72,194	-
Kinu Primary school	KCB SEREM	1149111763	678	1,380
Kinu Secondary School	KCB SEREM	1255619007	-	1,878
Kipsigor Primary School	KCB SEREM	1286014344	2,975	-
Kisasi Primary School	KCB SEREM	1263351972	-	4,754
Kitagwa Primary School	KCB MBALE	1101845732	-	1,189
Kitagwa Secondary School	KCB MBALE	1261843843	5,040	35,418
Kitambazi Primary School	KCB MBALE	1102346667	-	1,656
Logere Primary School	COOP MBALE	1.1417E+12	-	715
Luther Primary School	KCB SEREM	1258638916	-	243
Madeya Primary School	KCB SEREM	1101803088	-	893
Makuchi Primary School	KCB MBALE	1258104008	51,014	1,380
Malinda Primary School	KCB SEREM	1109449992	137	100,389
Malinda Secondary School	KCB MBALE	1266286187	1,897	7,269
Mudindi Primary School	KCB MBALE	1149740515	-	5,369
Muhaya Secondary School	KCB MBALE	1279177616	1,186	-
Muhudu Chiefs Office	KCB SEREM	1281617334	620	-
Muhudu Secondary School	KCB SEREM	1116447703	42,044	964
Mungavo Primary School	KCB SEREM	1101574054	-	2,632
Munzatsi Primary School	KCB MBALE	1168236223	3,071	-
Musawa Primary School	KCB MBALE	1131204678	-	1,564
Museywa Primary School	KCB SEREM	1102283290	2,544	922
Musiri Primary School	KCB MBALE	1236826809	6,335	3,835
Musiri Secondary School	KCB MBALE	1260446069	3,712	8,790
Mutave Primary School	KCB MBALE	1115533126	1,333	1,561
Mutiva Primary School	KCB SEREM	1236647793	1,153	30,844
Muyere Secondary School	KCB SEREM	1173505288	32,215	1,210
Mwanzo ADC Primary	KCB SEREM	1238554563	11,165	1,210
Mwembe Primary School	KCB SEREM	1285557816	15,855	1,185
Nyang'ori Primary School	KCB MBALE	1152617761	-	582
Saosi Primary School	KCB SEREM	1112975497	39,893	439
Saride Primary School	KCB MBALE	1112766030	-	994
Senende Chiefs Office	KCB SEREM	1117245527	-	1,500
Serem Police Station	KCB SEREM	1150755873	65,977	1,217
Shaviringa Divisional HQs	KCB SEREM	1279452234	675	-
Shaviringa Primary School	KCB SEREM	1239493398	-	1,183
Shikomoli Primary School	KCB MBALE	1114711098	-	364,858
Shipala Primary School	KCB SEREM	1175861588	1,245	-
Shivembe Primary School	KCB SEREM	1102376019	-	1,644

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Siekuti Primary School	KCB SEREM	1160502692	24,748	-
Simbi Primary School	KCB MBALE	1101837756	1,768	1,065
Simbi Secondary School	KCB MBALE	1110450052	500,203	329
St. Johns Cheptech Sec.	KCB MBALE	1266415181	4,934	3,464
St. Stephen Chepsaga Sec.	KCB MBALE	1274700108	-	698,975
St. Veronicah Sec. School	KCB SEREM	1135267197	55,920	-
Tambua DOs Office	KCB MBALE	1122467451	17,767	256
Tigoi Primary School	KCB MBALE	1110216533	-	7,225
Zululu Primary School	KCB MBALE	1284836096	855	-
Total			5,509,867	5,218,769

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Hms/Audit/2019-2020-001	<p>1.0 Unsupported – Prior Year Adjustments As disclosed in Note 14 to the financial statements, the statements of assets and liabilities reflects a prior year adjustment of Kshs. 871,500 relating to reversed stale bursary cheques. However, supporting documents for the prior year adjustment were not provided for audit verifications. Consequently, the accuracy and propriety of prior year adjustments of Kshs. 871,500 as at 30 June, 2020 for audit verifications.</p>	<p>The prior year adjustments of Kshs. 871,500 were the reversed stale cheques. Attached find a copy of the cashbook extract showing the reversed stale bursary cheques</p>	Resolved	
Hms/Audit/2019-2020-002	<p>2.0 Unsupported PMC Bank Balances The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs. 5,986,327 out of which a balance of Kshs. 5,218,769 was the PMC bank accounts balances as detailed in Annex 5. However, the bank balances were not supported by the bank certificates. Consequently, the accuracy and completeness of the PMC bank accounts balance of Kshs. 5,218,769 as at 30 June, 2020 could not be</p>	<p>By the time of audit, the PMC bank balance certificates had not been requested by the auditor. The bank balance certificates are now available for your perusal.</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)
Hms/Audit/2019-2020-003	<p>confirmed</p> <p>3.0 Budget Control and Performance The statement of appropriation – recurrent and development combined shows that the fund's approval budget for the year 2019/2020 was Kshs. 210,718,365 while the actual amount disbursed was Kshs. 137,050,641 resulting to underfunding of Kshs. 73,667,724 being 35% of the budgeted amount. In addition, the budgeted expenditure was Kshs. 210,718,365 while actual expenditure was Kshs. 131,064,314 resulting in under-absorption of Kshs. 79,654,051 by 38% The underfunding and under-expenditure affected the planned programs and activities and may have impacted negatively on service delivery to the residents of Hamisi Constituency.</p>	<p>The under absorption was resulted by the late disbursement of funds by the board. Attached find samples of AIEs showing late disbursement of funds to the Constituency on Annex 2. The funds were later received and utilized in te current financial year as per the approved codelist</p>	Resolved	
Hms/Audit/2019-2020-004	<p>Basic of Conclusion 1.0 Late Remittances of PAYE During the year under review, it was observed that the fund paid the commissioner of income tax a total of Kshs. 314,484 as a penalty of late remittances of Pay As You Earn tax. However, the amount had not been budgeted for while no explanation was provided for the delay in tax remittances thus occasioning the</p>	<p>The management had no funds during the 2017 election period to pay salaries due to delayed disbursement of funds from the board. Since then, the management has complied with timelines in remittance of statutory deductions for the NG-CDF staff</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)
Hms/Audit/2019-2020-005	<p>voidable expenditure.</p> <p>2.0 Unsatisfactory Implementation of Emergency projects. As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs. 38,247,193 which includes emergency projects of Kshs. 9,024,993 out of which Kshs. 1,200,000 was transferred to Jamulongoji Primary School for the renovation of classrooms. However, physical verification done on 11 March, 2021, revealed that the works were poorly done as the floor had cracked already and painting was not done on the rear side of the building. The project was not labelled and a certificate of inspection was not provided for audit verification.</p>	<p>The management has instructed the clerk of works and public works officers to assess the damaged works so that they can be rectified to standard. All the PMCs have been advised to label all the NG-CDF funded projects after completion for easy identification.</p>	Resolved	
Hms/Audit/2019-2020-006	<p>3.0 Unsatisfactorily Implementation of Secondary Schools Projects As disclosed in Note 6 of the financial statements, the statement of receipts and payments reflects transfers to other government units of Kshs. 81,000,000 which includes transfers to secondary schools of Kshs. 22,100,000. However, physical verification of sampled projects in</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>secondary schools revealed various anomalies as detailed below:</p> <p>i. Dr. Gimose Secondary School received Kshs. 4,800,000 for ongoing construction of story building housing 8No. classrooms and an administration section. However, payments of Kshs. 4,800,000 was not supported with detailed certificates indicating quantified works done, inspection and acceptance reports and invoices from the contractor.</p> <p>ii. Muhudu Secondary School received Kshs. 2,000,000 for ongoing completion of 2No. classrooms including roofing, plastering, flooring and painting to completion. However, the school did not have a CDF account while the classrooms were not labelled. Payments made were not supported with detailed certificates indicating quantified works, inspection and acceptance reports and invoices from the contractor were not provided for audit review.</p>	<p>The management has liaised with public works officers to include quantified works when preparing payment certificates.</p> <p>All the PMCs have been advised to open a separate current NG-CDF project account for ease management and accountability of NG-CDF funds</p> <p>The management has also instructed the PMCs to label NG-CDF funded projects for easy identification</p>	Resolved	
	<p>4.0 Unsatisfactory Implementation of Primary Schools Projects</p> <p>(j) As disclosed in Note 6 to the financial statements, the statement of receipts and payments and Note 6 to the financial statements reflects to other government units of Kshs. 81,000,000 which includes transfers</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>to primary schools of Kshs. 57,900,000 out of which three primary schools received disbursement totalling Kshs. 4,000,000 for various constructions.</p> <p>Physical verifications of the projects in the three primary schools revealed various anomalies as detailed below:</p> <p>(i) Luther Primary School received Kshs. 1,000,000 for the construction of one classroom by laying foundation, plastering, walling, roofing, wiring and fitting doors and windows, painting, fascia board and labelling. A physical verification conducted on 10 March 2021, revealed that the project was not complete as plastering, floor works, doors, windows and window panes, walling, electrical works had not been done and the contractor was not on site</p> <p>(ii) Jebrongo Primary School received Kshs. 1,500,000 for the construction of a one storey building at a contract sum of Kshs. 14,000,000. However, the school had received a cumulative total of Kshs. 7,500,000 since initiation of the project in the 2017/2018 financial year. A physical</p>	<p>The Hamisi NG-CDF has planned a capacity building for project management committees throughout the Constituency to educate them on procurement, project management, filing and all the necessary steps to be undertaken before any payment is made to a project and what documents are supposed to accompany the same.</p> <p>At the same time, we always undertake huge projects which require colossal amounts of money. Hence, the projects are done in phases due to limited funds, but there is a plan to complete those projects in the</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)
	<p>verification carried out on 10 March 2021 revealed that the contractor was on site, but the contract agreement and inspection and acceptance certificates were not provided for audit verification.</p> <p>(iii) Gemeni primary School received Kshs. 1,500,000 for construction of one storey building where the budgeted amount for the project was kshs. 14,000,000. A physical verification carried out on 11 March 2021, revealed that the project was incomplete</p>	financial year 2021/2022		