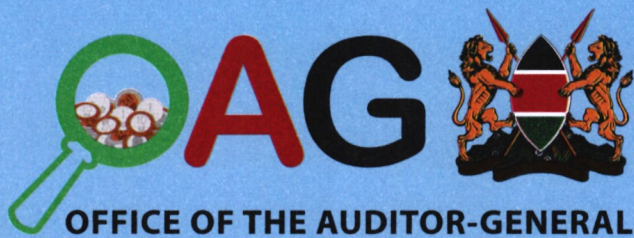


REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE: 09 AUG 2023

WED

TABLED
BY:

OF

Hon Owen Baya mp
Deputy Leader, Majority

CLERK-AT
THE TABLE:

Miriam mudo

THE AUDITOR-GENERAL

ON

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

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



SHINYALU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Shinyalu 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)

***Shinyalu Constituency
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(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	JULIUS OKETCH
2.	Sub-County Accountant	ROSELYN KOLWA
3.	Chairman NGCDFC	JAMIN LUMITI
4.	Member NGCDFC	FAITH GITIRA

(d) Fiduciary Oversight Arrangements

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

NG-CDF Office
Khalisia Plaza
P.O. Box 405-50100
KAKAMRGA

(f) Shinyalu Constituency NGCDF Contacts

Telephone: (254) 722574566
E-mail: cdفشinyalu@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Shinyalu Constituency NGCDF Bankers

EQUITY BANK
P.O Box 2512-50100
KAKAMEGA

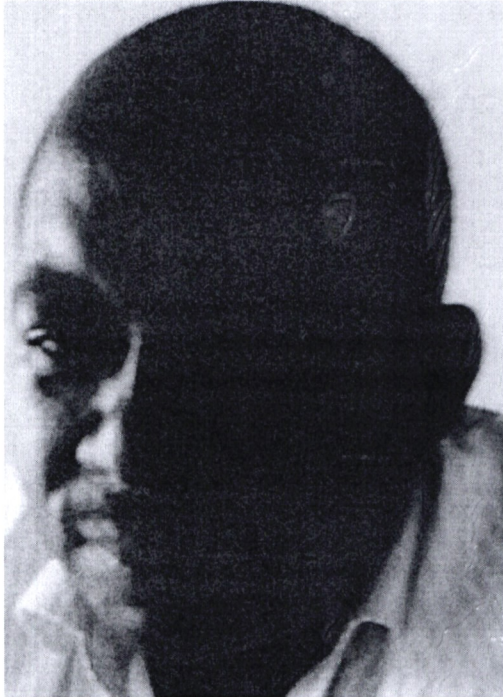
(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman's Report



JAMIN LUMITI CDFC CHAIRMAN

I am pleased to once again present the reports and financial statements of the Shinyalu National Government Constituency Development Fund financial year 2021/2022. In the financial year 2021/2022 Shinyalu constituency received a total of Ksh 176,288,879(One hundred and seventy six million two hundred and eighty eight, eight hundred and seventy nine), out of this funds ksh 33,000,000(thirty three million) was for the financial year 2020/2021 and ksh 6,200,000(six million two hundred thousand) was for the 2013/2014 financial year.

KEY ACHIEVEMENTS

- We prioritised and disbursed ksh 29,643,283(Twenty nine million six hundred and forty three two hundred and eighty three), which was more than half the total funds received as bursary support for needy students in the constituency. These funds have benefited over 7000 needy and vulnerable students. This was a strong statement in line with the constituency strategic plan that has education as one of the major pillars for social economic transformation.

Shinyalu Constituency

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- We also managed to intervene and construct exhaustible pit latrines at Dr Rev Kisia secondary school, Mukhonje primary school, and at St Ignatius boys high mukumu we managed to renovate a dormitory that was burned by fire to a tune of ksh 7,129,207 (Seven million, one hundred and twenty nine thousand, two hundred and seven) from the emergency reserve. The schools had been condemned by the public health department and were facing closure
- We also managed to construct classrooms in some schools and administration blocks in the following schools shagungu primary school administration block, Dr kisia secondary school four number classrooms and administration block, muraka primary school eight number classroom storey building, shamiloli primary school four number classrooms, munasio primary school four number classrooms, shirulu primary school three number classrooms, and at magakha eight number classrooms.
- The constituency procured and had a comprehensive 5 year strategic plan (2018-2023) drawn up that will be the guiding principle in implementation of the fund to achieve social economic development for the people of Shinyalu constituency. The plan focuses on thirteen strategic themes including Education and training, agriculture, commerce, urban development housing and tourism, employment creation and promotion, water, energy, roads, security, environmental management, technology and finally resource mobilization and governance
- In line with the environment strategic theme we were able to purchase and distribute over 10,000 indigenous tree seedlings to over 20 schools to heed the national government call of achieving 10 % forest cover by the year 2020.
- The constituency also organized and executed a successful soccer tournament in the month of December 2021 that aimed at enhancing youth talent by providing a higher platform for them to showcase their skills to potential professional soccer scouts and big league teams.

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SHAGUNGU PRIMARY SCHOOL ADMINISTRATION BLOCK



MURAKA PRIMARY SCHOOL EIGHT NUMBER CLASSROOMS STOREY BUILDING

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LIRHANDA BORDING PRIMARY SCHOOL FOUR NUMBER CLASSROOMS



SHILONGO PRIMARY SCHOOL EIGHT NUMBER CLASSROOMS


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**DR KISIA SECONDARY SCHOOL FOUR NUMBER CLASSROOM AND ADMINISTRION
BLOCK**

CHALLENGES, EMERGING ISSUES AND THE WAY FORWARD

- As we appreciate the continued support from the national government in making slight additions to the kitty we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The national government should seriously consider the re-introduction of the poverty index scheme for distribution of the national cake.
- Its common knowledge that there are certain pockets of regions in this country that have a high poverty index like Shinyalu and they have to be jump started economically to catch up with regions that have made huge strides in matters development.
- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment.
- We also are focused to ensure our constituency achieves the lowest regional and national crime indices.



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**Name JAMIN LUMITI
CHAIRMAN NGCDF COMMITTEE**

*Shinyalu Constituency
National Government Constituencies Development Fund (NGCDF)
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III. Statement Of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

The key development objectives of *Shinyalu Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Reduced distance covered by school children, Increases opportunities for school leavers, Education for the disabled, Improved learning facilities	Number of Classrooms/laboratories Constructed. Administration block and toilets constructed in schools as well	64 New classrooms were constructed to completion. We were able to disburse bursaries to at least 4500 students, 3800 for secondary schools and 700 for tertiary institutions.
Environment	Improve hygiene standards in schools.	Construction of Modern toilets in schools	Number of toilets built in primary and secondary.	The constituency constructed 6 Modern toilets in Primary schools.

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Sports	Promote peace building activities and enhance community cohesion.	Sports activities for the youth and other vulnerable groups.	Number of Sports Tournaments organized.	The Constituency organized 1 big tournaments where youths were awarded with trophies.
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IV. Environmental and Sustainability Reporting

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

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

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

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

2. Environmental performance

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

3. Employee welfare

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

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Shinyalu 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.

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



.....
Name **JULIUS OKETCH**

FAM

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-SHINYALU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-SHINYALU Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- SHINYALU 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.

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National Government Constituencies Development Fund (NGCDF)
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The Accounting Officer in charge of the NGCDF SHINYALU 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- SHINYALU Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.



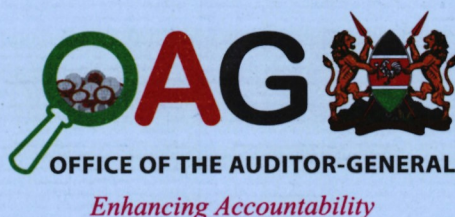
.....
Name: JAMIN LUMITI
Chairman – NGCDF Committee



.....
Name: JULIUS OKETCH
Finance Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Shinyalu Constituency set out on pages 1 to 38, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the

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

statement of receipts and payments, statement of cash flows and a 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Shinyalu Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Unsupported Project Management Committee (PMC) Balances

Note 17.4 to the financial statements reflects Project Management Committee (PMC) balance of Kshs.8,916,232 which, as disclosed in Annex 5, comprises of balances held by Project Management Committees in fifty-two (52) bank accounts in various commercial banks. However, cash books, bank reconciliation statements and bank statements for the fifty-two (52) bank accounts were not provided for audit.

In circumstances, the accuracy, completeness and existence of the project PMC bank balances of Kshs.8,916,232 as at 30 June, 2022 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 – Shinyalu Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.207,425,519 and Kshs.187,898,902 respectively, resulting to an under-funding of Kshs.19,526,617 or 9% of the budget. Similarly, the statement reflects actual expenditure of Kshs.175,974,147 against approved budget of Kshs.207,425,519 resulting to under-performance of Kshs.31,451,372 or 15% of the budget.

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

2. Unresolved Prior Year Matters

Prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues disclosed under the progress on follow up of auditor's recommendations section of the financial statements do not relate to the issues raised in the audited financial statements for the year ended 30 June, 2021 as required by the Public Sector Accounting Standards Board reporting template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delayed Completion of Projects

The statement of receipts and payments reflects transfers to other Government units amounts of Kshs2,121,474,675 which, as disclosed in Note 6 to the financial statements includes an amount of Kshs.114,474,675 transferred to primary schools out of which, Kshs.8,000,000 and Kshs.6,000,000 was transferred to Chilobani primary school and Ebukaburu primary school for the construction of 8 classrooms and administration block and construction of administration block respectively. However, physical inspection carried out on 15 March, 2023 revealed that the construction was at the foundation level for Chilobani primary school while 60% work had been done for Ebukaburu primary school. Further the contractors for the two projects were not on site. No explanation was provided for the delay and abandonment of the works.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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


 CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

12 July, 2023

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

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

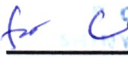
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	176,288,879	155,867,724
Proceeds From Sale of Assets	2		
Other Receipts	3		
Total Receipts		176,288,879	155,867,724
Payments			
Compensation Of Employees	4	2,439,280	2,095,517
Use Of Goods and Services	5	10,612,678	9,338,410
Transfers To Other Government Units	6	121,474,675	116,479,344
Other Grants and Transfers	7	41,447,514	23,247,595
Acquisition Of Assets	8		150,800
Other Payments	9		
Total Payments		175,974,147	151,311,666
Surplus/(Deficit)		<u>314,732</u>	<u>4,556,058</u>

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

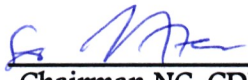
The Constituency financial statements were approved on _____ 2022 and signed by:


Fund Account Manager

Name: JULIUS OKETCH


National Sub-County
Accountant

Name: ROSELYN KOLWA
ICPAK M/No:


Chairman NG-CDF
Committee

Name: JAMIN LUMITI

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

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

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	11,924,755	9,832,371
Cash Balances (Cash at Hand)	10B		
Total Cash and Cash Equivalents		11,924,755	9,832,371
Accounts Receivable			
Outstanding Imprests	11		529,000
Total Financial Assets		11,924,755	10,361,371
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A		
Gratuity	12B		
Total Financial Liabilities			
Net Financial Assets		11,924,755	10,361,371
Represented By			
Fund Balance B/Fwd	13	10,361,371	5,611,614
Prior Year Adjustments	14	1,248,652	193,699
Surplus/Deficit for The Year		314,732	4,556,058
Net Financial Position		11,924,755	10,361,371

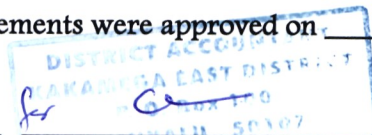
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

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



Fund Account Manager

Name: JULIUS OKETCH



National Sub-County
Accountant

Name: ROSELYN KOLWA
ICPAK M/No:



Chairman NG-CDF
Committee

Name: JAMIN LUMITI

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


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


		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	176,288,879	155,867,724
Other Receipts	3		
		176,288,879	155,867,724
Payments for operating activities			
Compensation of Employees	4	2,439,280	2,095,517
Use of goods and services	5	10,612,678	9,338,410
Transfers to Other Government Units	6	121,474,675	116,479,344
Other grants and transfers	7	41,447,514	23,247,595
Other Payments	9	-	-
		175,974,147	151,160,866
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	
Prior year Adjustments	14	1,248,652	193,699
Net Adjustments		1,248,652	193,699
Net cash flow from operating activities		1,563,384	4,900,557
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	150,800
Net cash flows from Investing Activities		-	(150,800)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,563,384	4,749,757
Cash and cash equivalent at BEGINNING of the year	10	10,361,371	5,611,614
Cash and cash equivalent at END of the year		11,924,755	10,361,371

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

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


Fund Account Manager


**National Sub-County
 Accountant**


**Chairman NG-CDF
 Committee**

Name: JULIUS OKETCH

Name: ROESLEYN KOLWA
ICPAK M/No:

Name: JAMIN LUMITI

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

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	137,088,879	58,726,617.45	206,176,867	186,650,250	19,526,617	85.5%
Proceeds from Sale of Assets			0			0.0%
Other Receipts			1,248,652	1,248,652		100.0%
TOTAL RECEIPTS	137,088,879	58,726,617.45	207,425,519	187,898,902	19,526,617	85.6%
PAYMENTS						
Compensation of Employees	2,105,000		2,611,741	2,439,280	172,461	98.9%
Use of goods and services	10,232,998		11,047,661	10,612,678	434,983	96.1%
Transfers to Other Government Units	92,701,928	55,223,555	147,925,483	121,474,675	26,450,808	82.1%
Other grants and transfers	32,048,953	2,165,324	44,502,896	41,447,514	3,055,382	95.5%
Acquisition of Assets		1,337,738.45	1,337,738		1,337,738	0.0%
Other Payments						
TOTAL	137,088,879	58,726,617.45	207,425,519	175,974,147	31,451,372	85.8%

The amount of khs 1,248,652 transferred from cooperative bank account was cash for the unrepresented cheques thus not a balance in the cash book at the end of the Financial year 2020/2021

**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.*

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

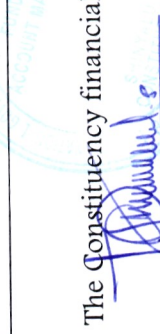
Explanatory Notes.

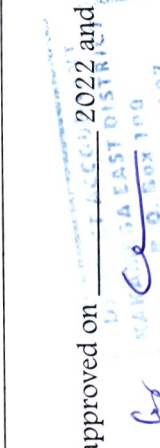
(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	31,451,372
Less undisbursed funds receivable from the Board as at 30th June 2022	19,526,617
	11,924,755
Add Accounts payable	0
Less Accounts Receivable	0
Cash and Cash Equivalents at the end of the FY 2021/2022	11,924,755

The Constituency financial statements were approved on 11th June 2022 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: JULIUS OKETCH

**Name: ROSELYN KOLWA
ICPAK M/No:**

Name: JAMIN LUMITI

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

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

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				
1.0 Administration and Recurrent	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
1.1 Compensation of employees	2,105,000	506,741		2,611,741	2,439,280	172,461	
1.2 Committee allowances	2,000,000	-		2,000,000	1,994,000	6,000	100
1.3 Use of goods and services	4,120,333	380,944		4,501,277	4,073,013	428,264	90
Total	8,225,333	887,685		9,113,018	8,506,293	606,725	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,800,000			1,800,000	1,800,000		100
2.2 Committee allowances	1,500,000	83,525		1,583,525	1,583,000	525	100
2.3 Use of goods and services	812,665	350,194		1,162,859	1,162,665	194	100
Total	4,112,665	433,719		4,546,384	4,545,665	719	
3.0 Emergency							
3.1 Primary Schools	7,192,207	1,203,887		8,396,094	7,418,307	977,787	100
3.2 Secondary schools							
3.3 Tertiary institutions							
3.4 Security projects							

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

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) %
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
3.5 Unutilised								
Total	7,192,207		1,203,887		8,396,094	7,418,307	977,787	
4.0 Bursary and Social Security								
4.1 Secondary Schools	20,373,210		5,033,348		25,406,558	24,258,396	1,148,162	95
4.2 Tertiary Institutions	2,000,000		3,487,400		5,487,400	5,485,500	1,900	100
4.3 Social Security								
4.4 Special Needs								
Total	22,373,210		8,520,748		30,893,958	29,743,896	1,150,062	
5.0 Sports								
5.1 Constituency Football Tournament	1,241,777		-	1,241,778	2,483,555	2,483,555		100
Total	1,241,777		-	1,241,778	2,483,555	2,483,555		
6.0 Environment								
6.1	1,241,759		563,984	23,546	1,829,289	1,801,756	27,533	98
6.2								
6.3								
Total	1,241,759		563,984	23,546	1,829,289	1,801,756	27,533	
7.0 Primary Schools Projects								
Lubao primary school	500,000				500,000	500,000		100

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

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	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
Lunyuu primary school	5,500,000			5,500,000	5,500,000		100
Ebukaburu primary school	3,000,000			3,000,000	3,000,000		100
Ebukaburu primary school	3,000,000			3,000,000	3,000,000		100
Ilindolo primary school	2,000,000			2,000,000	1,000,000	1,000,000	50
Wakukha primary school	5,500,000			5,500,000	5,500,000		100
Lubao primary school	5,500,000			5,500,000	5,500,000		100
Shinuli primary school	3,000,000			3,000,000	3,000,000		100
Chilobani primary school	8,000,000			8,000,000	8,000,000		100
Khayega primary school	34,561,928		10,000,000	44,561,928	36,500,000	8,061,928	82
Shanda primary school	4,500,000			4,500,000	4,500,000		100
Shanderema primary school	5,000,000			5,000,000	5,000,000		100
Ingolomoso primary school	7,640,000			7,640,000	7,640,000		100
Senyende primary school	2,000,000			2,000,000	2,000,000		100
Lirhanda primary school			2,000,000	2,000,000	2,000,000		100
Lirhanda primary school			500,000	500,000	500,000		100
Shirulu primary school			600,000	600,000	600,000		100
Muraka primary school			1,500,000	1,500,000	1,500,000		100
St pauls Shibuye primary school			2,500,000	2,500,000	2,500,000		100
Ingolomoso primary school			5,000,000	5,000,000	5,000,000		100

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

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) %
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Kshs				
Musanyi primary school				1,000,000	1,000,000	1,000,000		100
Bukhaywa primary school				1,814,019	1,814,019	1,814,019		100
Wakukha primary school				4,000,000	4,000,000	4,000,000		100
Shihuli primary school				520,656	520,656	520,656		100
Makuchi primary school				4,400,000	4,400,000	4,400,000		
Mukumu primary school				2,000,000	2,000,000		2,000,000	
Solyo primary school				600,000	600,000		600,000	
Ikuywa primary school				288,880	288,880		288,880	
St kizito bukusi primary school				300,000	300,000		300,000	
Shihumbu primary school				2,000,000	2,000,000		2,000,000	
Mukango primary school				600,000	600,000		600,000	
Khayega primary school				6,200,000	6,200,000		6,200,000	
	89,701,928			45,832,555	135,525,483	114,474,675	21,050,808	
8.0 Secondary Schools Projects								
St Ignatius mukumu boys	800,000				800,000	800,000		100
Bishop sulumeti secondary school	1,000,000				1,000,000	1,000,000		100
St Ignatius Mukumu boys	1,200,000				1,200,000	1,200,000		100
Iloro secondary school				1,000,000	1,000,000	1,000,000		100
Dr kisia secondary school				3,000,000	3,000,000	3,000,000		100
St Gerald mundulu				1,600,000	1,600,000		1,600,000	

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

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 Utilization (f=d/c) %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
secondary school	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
St Anns Munasio secondary school			1,500,000	1,500,000		1,500,000	
St Philips Mugomari secondary school			800,000	800,000		800,000	
St Philips mugomari secondary school			1,500,000	1,500,000		1,500,000	
Total	3,000,000	-	9,400,000	12,400,000	7,000,000	5,400,000	
9.0 Tertiary institutions Projects							
10.0 Security Projects							
Virhembe police post			200,000	200,000		200,000	
Mukhorije police post			200,000	200,000		200,000	
Shinyalu police post			300,000	300,000		300,000	
Mukhorije Assistant chiefs office			200,000	200,000		200,000	
Total		-	900,000	900,000		900,000	
11.0 Acquisition of assets							
11.1 Motor Vehicles							
11.2 Purchase of NGCDF Generator							

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

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	Kshs	Kshs	2020/2021	30/06/2021	Kshs	%
11.3 Purchase of furniture and equipment			1,337,738	1,337,738		1,337,738	
11.4 Purchase of computers							
11.5 Refurbishment of Buildings							
11.6 Rehabilitation of Property Plant & Equipment							
Total			1,337,738	1,337,738		1,337,738	
12.0 Other payments							
Total							
13.0 unallocated fund							
Unapproved projects							
AIA							
PMC savings							
Total							
	137,088,879.1	11,610,023	58,726,617.45	207,425,519.6	175,974,147	31,451,372.6	
	9			4		4	

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

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-SHINYALU Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 096868		600,000
AIE NO. B 104781		45,000,000
AIE NO. B 104838		18,267,724
AIE NO. B 124709		9,000,000
AIE NO. B 119641		10,000,000
AIE NO. B 128030		13,000,000
AIE NO. B 128273		6,900,000
AIE NO. B 132033		6,000,000
AIE NO. B 132327		6,000,000
AIE NO B 138996		12,000,000
AIE NO B 126288		7,100,000
AIE NO B 105083		10,000,000
AIE NO B 140727		12,000,000
AIE NO. B105281	33,000,000	
AIE NO. B105558	44,000,000	
AIE NO. B105928	22,000,000	
AIE NO. B128695	5,000,000	
AIE NO. B163857	12,000,000	
AIE NO. B154202	15,000,000	
AIE NO. B154425	19,000,000	
AIE NO. B154481	20,088,879	
AIE NO. A895037	6,200,000	
TOTAL	176,288,879	155,867,724

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Notes to the Financial Statements (Continued)

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Others (specify)		
Total		

3. Other Receipts

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

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,343,560	1,927,037
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees		
Employer Contributions Compulsory national social security schemes	95,720	168,480
Total	2,439,280	2,095,517

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Notes to the Financial Statements (Continued)

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses		
Utilities, supplies and services	28,350	
Communication, supplies and services		
Domestic travel and subsistence		164,800
Printing, advertising and information supplies & services		
Office rent	1,200,000	
Fuel, oil & lubricants	737,081	1,150,000
Rentals of produced assets		
Training expenses	1,799,000	1,771,000
Hospitality supplies and services		
Other committee expenses	1,542,000	1,933,660
Committee allowance	1,999,000	1,508,340
Insurance costs		
Bank service commission and charges	16,460	198,150
Specialized materials and services		
Office and general supplies and services	1,471,999	205,020
Other operating expenses	1,118,665	2,120,540
Routine maintenance – vehicles and other transport equipment	700,123	286,900
Routine maintenance – other assets		
Total	10,612,678	9,338,410

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Notes to the Financial Statements (Continued)

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	114,474,675	95,979,344
Transfers To Secondary Schools (See Attached List)	7,000,000	20,500,000
Transfers To Tertiary Institutions (See Attached List)		
Total	121,474,675	116,479,344

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,469,613	8,362,590
Bursary – tertiary institutions (see attached list)	6,173,670	1,912,600
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Social Security programmes (NHIF)	100,610	54,850
Security projects (see attached list)		
Sports projects (see attached list)	2,483,555	1,417,499
Environment projects (see attached list)	1,801,759	3,220,657
Emergency projects (see attached list)	7,418,307	8,279,400
Total	41,447,514	23,247,595

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		150,800
Purchase of Specialized Plant, Equipment and Machinery		
Acquisition of Land		
Total		150,800

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Notes to the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	11,924,755	9,832,371
<i>EQUITY BANK KAKAMEGA Account No.0500279933658</i>		
Total	11,924,755	9,832,371
10 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total		

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>
		Kshs	Kshs	Kshs
<i>Total</i>				

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Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	424,080	424,080
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 th June D= A+B-C	424,080	424,080

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	9,832,371	5,611,614
Cash in hand		
Imprest	529,000	
Total	10,361,371	5,611,614

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Notes to the Financial Statements (Continued)

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	9,832,371	1,248,652	11,081,023
Cash in hand			
Accounts Payables			
Receivables			193,699
Others (<i>specify</i>)			
Total	9,832,371	1,248,652	11,274,722

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		
Changes in Account Receivables E= D-A		

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C		
Changes in Accounts Payable E= D-E		

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	424,080	424,080
Others (<i>specify</i>)		
Total	424,080	424,080

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	172,461	461,591
Use of goods and services	434,983	788,690
Amounts due to other Government entities (see attached list)	26,450,808	56,034,675
Amounts due to other grants and other transfers (see attached list)	3,055,382	7,126,444
Acquisition of assets	1,337,738	1,337,738
Funds pending approval		1,500,000
		1,045,150
Total	31,451,372	68,294,288

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	8,916,232	38,913,060
Total		

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

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

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Annex 2 - Analysis of Pending Staff Payables*

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. ZACHARIA SICHENJE	Office messenger	04/7/2018	212,040	
2. VICTORIA LIHABI	Cleaner	04/07/2018	212,040	
3.				
Sub-Total			424,080	
Grand Total			424,080	

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Annex 3 – Unutilized Fund*

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of staff salaries, NSSF and gratuity	172,461	461,591	
Use of goods & services	Purchase of fuel, repairs and maintenance, purchase of a photocopier, office furniture, stationery, telephone, travel and subsistence, office tea and office rent	434,983	788,691	
Amounts due to other Government entities				
PRIMARY SCHOOL				
Lwanda primary school	Construction of two number classrooms		1,200,000	
Lirhanda Girls Boarding primary school	Construction of 4 number classrooms		2,500,000	
Shirulu primary school	Construction		600,000	
Bukhywa primary school	Construction of 8 number classrooms		1,814,019	
Makuchi primary school	Construction of 8 number classrooms		4,400,000	
Muraka primary school	Construction of 8 number		1,500,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	classrooms story building			
Musanyi primary school	Purchase 1 acre piece of land plus title deed acquisition		1,000,000	
Shihuli primary school	Construction of 3 number classrooms		520,656	
St Pauls shibuye primary school	Construction of 8 number classrooms story building		2,500,000	
Ingolomoso primary school	Construction of 8 number classrooms story building		5,000,000	
Wakukha primary school	Construction of 4 number classrooms		4,000,000	
Ihondolo primary school	Completion of two number classrooms	1,000,000		
Khayega primary school	Construction of 32 number classrooms	8,016,928	10,000,000	
Mukumu primary school	Construction of 2 number classrooms	2,000,000	2,000,000	
Solyo [rimary school	Renovation os classrooms	600,000	600,000	
Ikuywa primary school	Renovation of classrooms	288,880	288,880	
St kizito bukusi [rimary school	Renovations of classrooms	300,000	300,000	
Shihumbu primary school	Purchase of 2 acre of land	2,000,000	2,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Mukango primary school	Construction of pit latrines	600,000	600,000	
Khayega primary school	Construction of 32 number classrooms	6,200,000	6,200,000	
Sub Total		21,050,808	47,294,675	
SECONDARY SCHOOL				
St Gerald Mundulu secondary school	Completion of two number classrooms	1,600,000	1,600,000	
St Ann Munasio Secondary school	Construction of Administration block	1,500,000	1,500,000	
St Philips Mugomari secondary school	Sinking of bore hall and construction of the Administration block	800,000	800,000	
St Philips Mugomari Secondary school	Construction of the Administration block	1,500,000	1,500,000	
Dr Kisai secondary school	Construction of 8 number classrooms and administration block		3,000,000	
Iloro secondary school	Construction of 2 number classrooms and administration block		1,000,000	
Sub Total		5,400,000	9,400,000	
Amounts due to other grants and other transfers				
Bursary secondary school		1,148,162	7,126,444	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Bursary tertiary		1,900		
Emergency		977,787		
Environment		27,533		
Security projects				
Virhembe police post	Completion of 2 police houses	200,000	200,000	
Mukhonje ileho police	Completion of 2 police houses	200,000	200,000	
Shinyalu police post	Completion of 2 police houses	300,000	300,000	
Mukhonje Assistant Chiefs Office	Completion of chief office	200,000	200,000	
SUB TOTAL		900,000	900,000	
Sub-Total		3,055,982		
Acquisition of assets		1,337,738	1,337,738.14	
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval				
Grand Total		31,451,972	68,294,288	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures				
Transport equipment	11,702,190			11,702,190
Office equipment, furniture and fittings	18,600			18,600
ICT Equipment, Software and Other ICT Assets	797,540			797,540
Other Machinery and Equipment	47,000			47,000
Heritage and cultural assets				
Intangible assets				
Total	12,565,330			12,565,330

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

PMC	Bank	Account number	Date opened	Bank Balance 2021/22	Bank Balance 2020/2021
Ingolomoso Primary School	Cooperative	1139804278500	03/07/2018	653,140	129,440
Magakha Primary School	Cooperative	1139632654400	05/01/2017	522.90	120,522.90
Shanda Primary School	Cooperative	1139166529300	25/02/2011	750.00	1,950
Bukhaywa Primary School	Cooperative	1139165020600	25/10/2012	2,673.75	229,094.75
Khayega Primary School	Equity	0500279036834	12/07/2019	797,724.50	65,312
Muraka Primary School	Equity	0500279026025	09/07/2019	15,131.70	2,015,851.20
St Pauls Shibuye Primary School	Equity	0500279026117	09/07/2019	3,530,353	4,965,381
Lirhanda Girls Primary School	Equity	0500279036361	12/07/2019	673,435.06	371,756.85
Shilongo Primary School	Equity	05002790259939	09/07/2019	12,480.05	3,200.05
Makuchi primary school	Equity	0500279106780	08/08/2019	51,000	102,499
Lunyu Primary School	Equity	0500279658461	18/02/2019	482,120.78	5,028,527.5
Ebukaburu Primary School	Equity	0500279758253	31/03/2020	2,514.44	3,012,279
Iloro Secondary School	Equity	0500279760879	01/04/2020	7,065.94	271,249.94
Singila Primary School	Equity	0500279865136	09/06/2020	626,878.80	2,671,361.8
Ihondolo Primary School	Equity	0500279299657	07/10/2019	65,300	2,102,180
Wakukha Primary School	Equity	0500279780192	17/04/2020	1,513	10,595

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PMC	Bank	Account number	Date opened	Bank Balance 2021/22	Bank Balance 2020/2021
Rev Kisia Secondary School	Equity	0500279599437	30/01/2020	865.50	1,778,571
Ivakale Secondary School	Equity	0500279026068	09/07/2019	9,674.01	2,010,454
Wakukha primary school	Equity	0500279780192	17/04/2020	1,513	10,595
Mukhonje Primary School	Equity	0500279519096	06/01/2020	4,127.50	4,127.50
Shanderema Secondary School	Equity	0500279276833	28/09/2019	1,941.70	1,941.70
Shamilo Secondary School	Equity	0500279774314	14/04/2020	176,321	374,381
Mukhonje Primary School	Equity	0500279519096	06/01/2020	4,127.50	4,127.50
Bishop Sulumeti Mukomari	Equity	0500280883766	13/05/2021	549,472.90	3,000,000
Shinuli primary school	Equity	0500280757172	29/03/2021	9,190	2,478,894
Ibukaburu primary school	Equity	0500279758253	31/03/2020	2,514.44	3,012,279
Lubao primary school	Equity	0500280842605	29/04/2021	379,070	171,949
Singila primary school	Equity	0500279865136	09/06/2020	626,878	2,671,361
St Ignatius Mukumu boys	Equity	0500280787434	10/04/2021	168,525	77,114
Shilongo primary school	Equity	05002790259939	09/07/2019	12,480.05	12,480.05
Friends School Shilalyo Secondary	Cooperative	1139165359202	29/08/2017	2,736.91	122,856.91
Irobo Primary School	Cooperative	1139632241100	11/02/2016	117.50	1,562.50
Ihenyi Primary School	Cooperative	1141165048100	05/06/2017	0	00
Ivakale Primary School	Cooperative	1139165107100	18/01/2017	1,000	1,000

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PMC	Bank	Account number	Date opened	Bank Balance 2021/22	Bank Balance 2020/2021
Lirhanda-Mixed Primary School	Cooperative	1139167559901	18/01/2017	22,232.50	22,273
Lugango Primary School	Cooperative	1109023471300	13/11/2018	0.00	0.00
Lwanda Secondary School	Cooperative	1139167256501	07/12/2016	0.00	0.00
Madioli Primary School	Cooperative	1139165659001	22/12/2016	3,022.75	3,022.75
Madioli Primary School	Cooperative	1139165666900	23/10/2012		270
Muleche Primary School	Cooperative	1139165051000	23/10/2012	2,362.25	2,362
Mundulu Primary School	Cooperative	1139165050601	07/11/2012	4,341	4,341
Shanda Primary School	Cooperative	1139166529300	31/10/2012	750	1,950
Shavirotsi Primary School	Cooperative	1139165058101	31/10/2012	0.00	4,200
Shitochi Primary School	Cooperative	1139167563200	02/11/2012	0.00	0.00
Solyo Primary School	Cooperative	1139167557200	29/10/2012	1,100	1,100
St Albert Shanjero Primary School	Cooperative	1139023579001	29/10/2012	3,795	3,795
St. Gerald Shanjero Secondary	Cooperative	1139165032901	01/11/2012	1,330	1,330
St. Joseph Mukulusu Secondary	Cooperative	1139165082400	27/11/2012	0.00	0.00
Virhembe Police Post	Cooperative	1120009847130	12/06/2008	0	0
Wanzalala Primary School	Cooperative	1139632628100	22/12/2016	0.00	0
Shagungu primary school	Cooperative	1139165034901	18/10/2012	840	20.840
Musanyi Primary school	Cooperative	1139166961900	29/11/2011	3,300	2,033,500
				8,916,232	38,913,060

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1 Budgetary Control and performance	The summary statement of appropriation reflects approved final receipts budget and actual on comparable basis of kshs 219,605,955 and kshs 161,479,338 respectively resulting to an under-funding of kshs 58,126,617 or 26% of the budget, similarly, the fund expended kshs 151,310,866 against an approved budget of kshs 219,605,955, resulting to an under expenditure of kshs 68,295,089 or 31% of the budget as analysed	The overall under expenditure in the budget is as a result of piece-meal funding from the NGCDF Board due to some pending project issues that have since been cleared.	Resolved	
4.13 Cash and cash Equivalent	The cash and bank balance of kshs 9,832,371 at note 10 A and statement of assets and liabilities as at 30 th June 2021 agree as stated, however excluded from this amount is a balance of kshs 1,248,651 held at the Equity bank A/C 0500279933658. The NG CDF had closed an account with			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.17 Lack of an updated Imprest Register	<p>cooperative bank 01120098471300 as stated on later reference TNT/KKE/BRN/VOL1 (1 100 dated 5th august 2021 and opened new account with Equity bank</p> <p>Shinyalu constituency NGCDF failed to maintained an updated imprest register detailing, payee, imprest warrant number, date of issue, due date and date of surrender, contrary to provisions of 93(4)© of the public Finance Management (National Government) Regulations 2015</p>	<p>The management has created an Imprest register detailing the payee, Imprest warranty number, date of issue and date of surrender</p>	Resolved	

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Name JULIUS OEKITCH
Fund Account Manager.

