



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



<b>REPORT</b>	
THE NATIONAL ASSEMBLY	
DATE:	24 NOV 2022
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BY:	
CLERK-AT THE-TABLE:	F Nginyo

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
HOMA BAY TOWN CONSTITUENCY**

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



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**HOMABAY TOWN CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

**Table of Content**  
**Page**

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	2
II.	NG-CDFC CHAIRMAN’S REPORT .....	5
III.	STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES .....	10
IV.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....	12
V.	STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	15
VI.	REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- HOMABAY TOWN CONSTITUENCY</i> ....	16
VII.	STATEMENT OF RECEIPTS AND PAYMENTS .....	17
VIII.	STATEMENT OF ASSETS AND LIABILITIES .....	18
IX.	STATEMENT OF CASHFLOW .....	19
X.	SUMMARY STATEMENT OF APPROPRIATION .....	20
X.	BUDGET EXECUTION BY SECTORS AND PROJECTS.....	22
XI.	SIGNIFICANT ACCOUNTING POLICIES .....	29
XII.	NOTES TO THE FINANCIAL STATEMENTS.....	33

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

**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 Homabay Town Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

#### **(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Tom Wasike
2.	Sub-County Accountant	Augustine Gudah
3.	Chairman NGCDFC	Harrison Ouko
4.	Member NGCDFC	Monica Nyadiero

#### **(d) Fiduciary Oversight Arrangements**

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

P.O. Box 240-40300  
Kabunde Multipurpose Hall  
Off Homabay -Rongo Road

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

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**(f) Homabay Town Constituency NGCDF Contacts**

Telephone: (254) 722359230  
E-mail: [cdhomabaytown@ngcdf.go.ke](mailto:cdhomabaytown@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) Homabay Town Constituency NGCDF Bankers**

Equity Bank (Kenya) Ltd  
Homabay Branch  
P.O. Box 75104-00200  
Nairobi, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. NG-CDFC CHAIRMAN'S REPORT



**Harrison Ouko Ogallo  
NG-CDFC Homabay Town**

It gives me great pleasure to present the annual report and financial statement for the year ended June 30, 2021. The financial year 2020/2021 marks the 18<sup>th</sup> year since inception of CDF in the year 2003/2004.

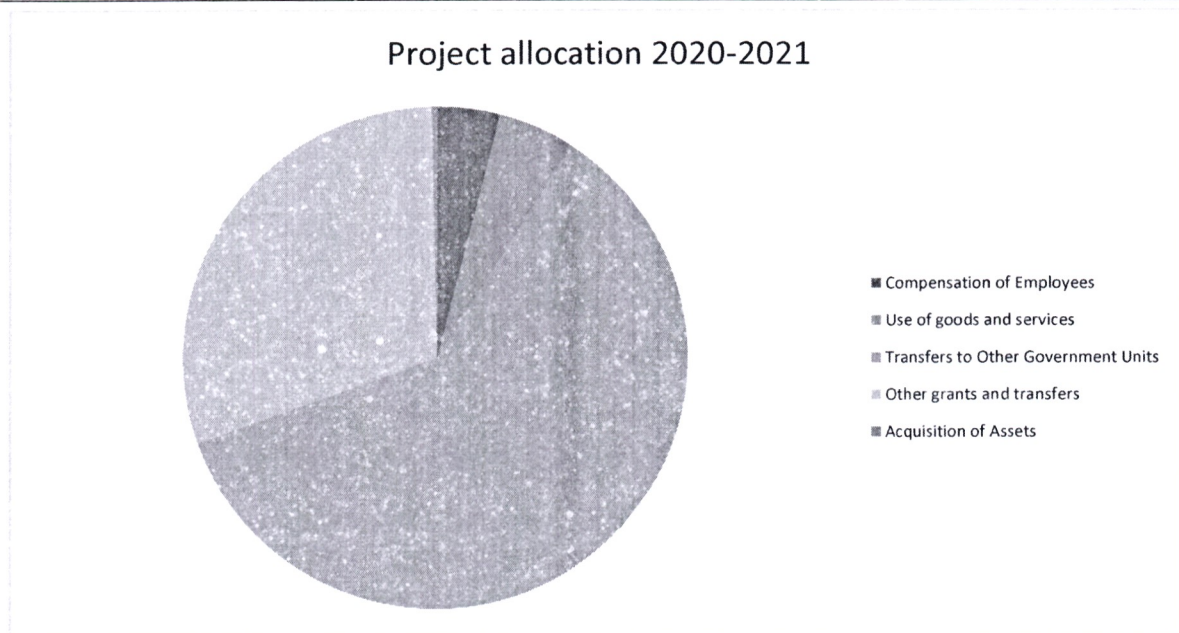
Over the years, NG-CDF Homabay Town implemented projects in various sectors with the major sectors being Education, Health, Water, Security, Roads, Sports and Environment.

This resulted to NG-CDFC Homabay Town focusing on national government functions which are Education, Security, Environment and Sports leaving out Health, Water and Roads projects to be implemented by the County Government as per the new NG-CDF Act 2015 amended in 2016.

This year, Homabay Town Constituency Development Fund approved budget was Kshs. 137,222,879 of which NG-CDF Board disbursed Ksh.96,900,000 (70.6%) of the total approved budget for the financial year to the constituency. By the end of the financial year the Board had not disbursed Kshs. 40,322,879 (29.4%) to the constituency for the financial year and Kshs.5, 000,000 for the previous years.

### a) Allocation to Projects

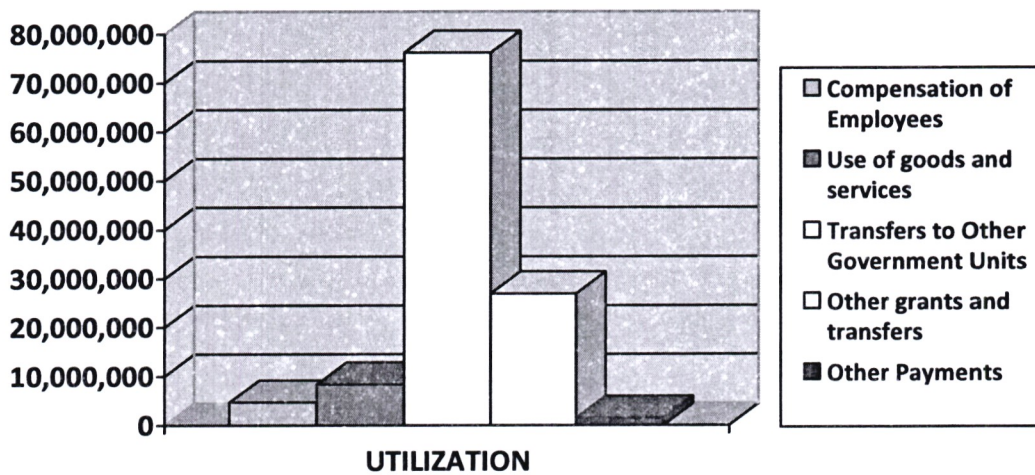
During the year, 59.9% of the funds were allocated towards the infrastructural development in government institutions (30.1% to Secondary Schools and 29.8% to Primary Schools) while 29.4% of the funds was allocated towards other grants and transfers. The balance of the funds was allocated towards use of goods (5.0%), other payments ( 1.7%) and compensation of employees (4.0%) as shown below



**Fig 1: Analysis of allocation per sector**

**b) Utilization of Funds**

Utilization of funds stood at 48.5% from 76.3% the previous year a 27.8% decrease. The decrease in utilization was attributed to late and lack of receipt of all the funds from NGCDF Board before the closure of the financial year. Similarly the unutilized funds for the previous financial year amounting to Ksh43,998,291 were also utilized during the year with Ksh 3,000000.00 still undisbursed from the board. The overall utilization of funds during the year was follows graphically;



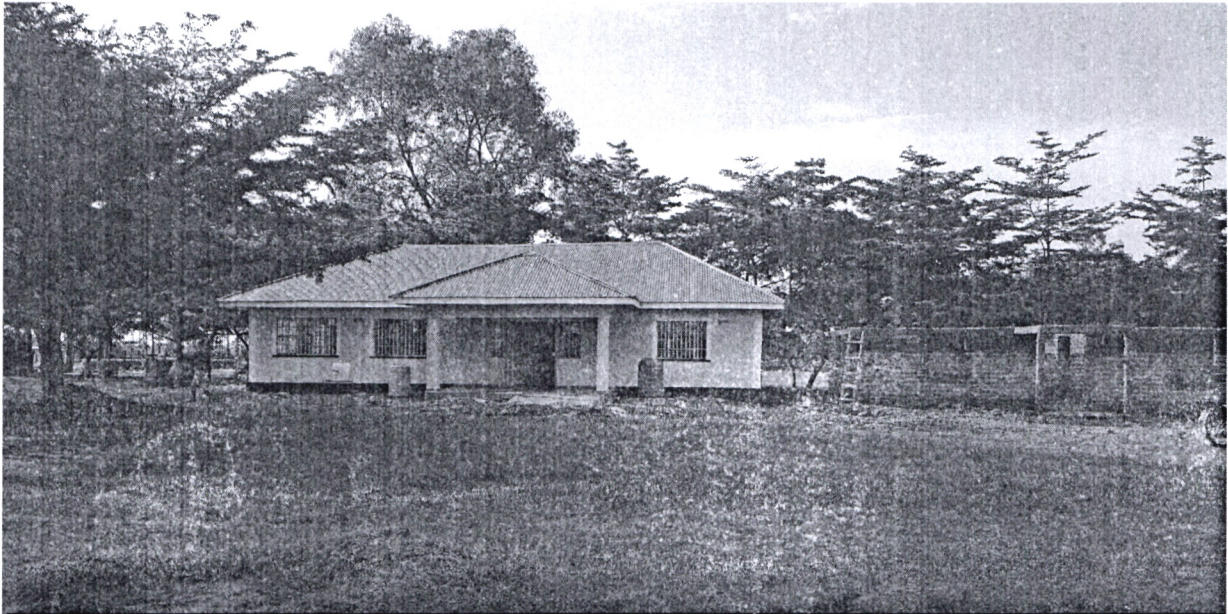
***Homabay Town Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021***

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c) Key achievements of the entity

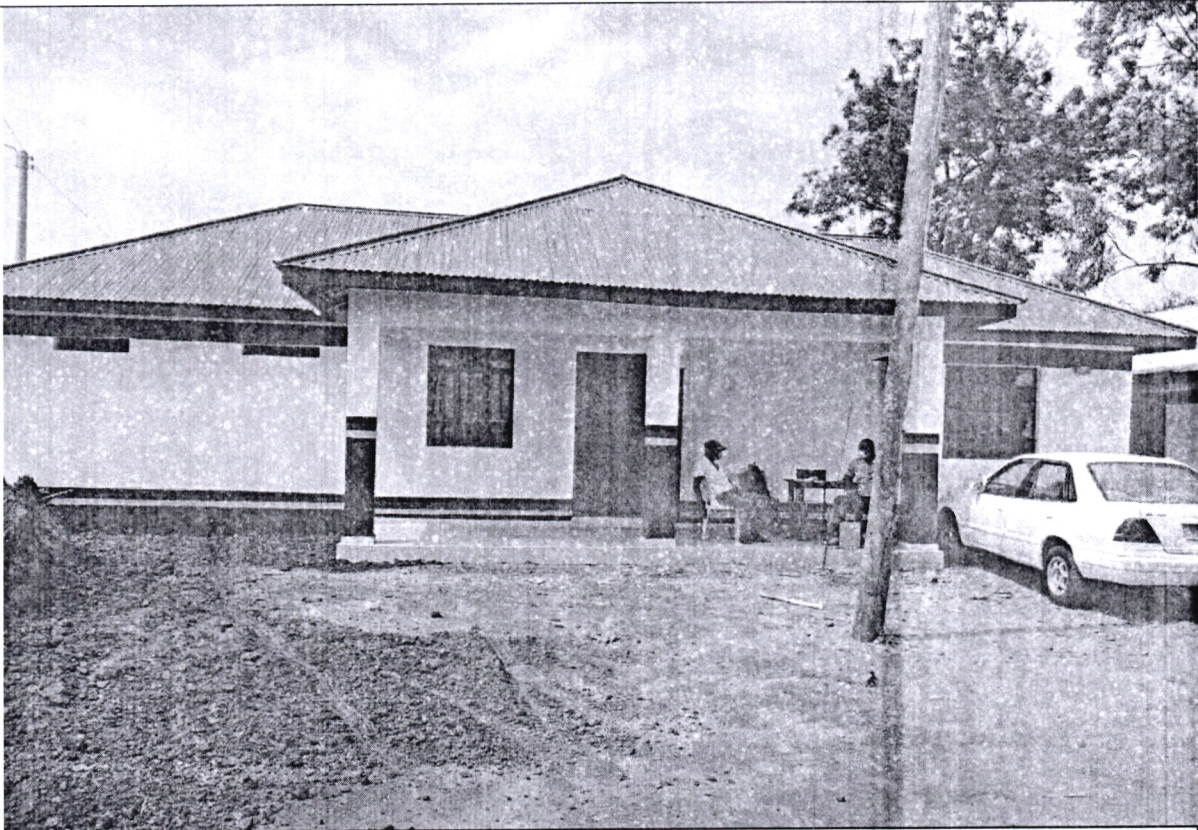
With the funds received, we initiated over 20 classrooms and completed 80% of them. Infrastructural improvement in educational institutions is key in our strive to support the government's 100% primary school- secondary school transition policy, to this end, we have initiated science laboratories, dormitories, administration blocks.

Similarly, Homabay town constituency has strived to attain 100% compliance to labelling of projects within the constituency with over 60% projects already labelled. Samples photographs of successfully completed projects are attached for review.

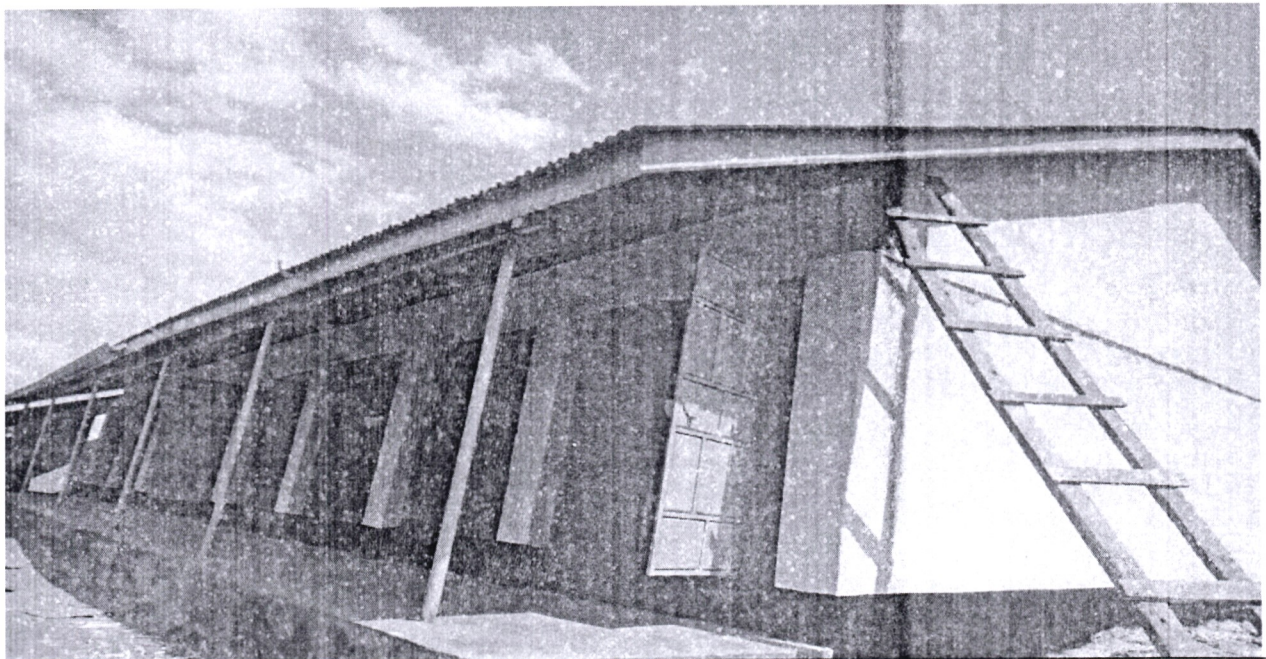


WIOBIERO PRIMARY SCHOOL-CONSTRUCTION OF ADMINISTRATION BLOCK

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



**RODI POLICE STATION**



**HON.KALUMA KOTEWA PRIMARY SCHOOL-CONSTRUCTION OF 2NO.CLASSROOMS**

**d) Implementation Challenges**

In the year under review, we faced a number of challenges in the implementation of projects. The delays in release of funds impacted negatively on the timely delivery of services to constituency. Additionally, less allocation of funds to projects remained a challenge that we intend to address in subsequent project proposals.

High demand for more NG-CDF funding as shown by the proposals from the wards stakeholders, low response on the youth, PWDs and women on the government 30% requirement on awards of contracts and below par operations of Project Management Committees in implementation of NG-CDF projects, negatively impacted on achievements of the Fund in the constituency.

The above challenges could be addressed by ensuring timely release of funds by NG-CDF Board to constituencies, allocation of enough funds to the projects by NG-CDFC, allocation of more funds to NG-CDF to address the demand for more funding of the projects, more education on 30% youths, PWDs and women contracts requirements and training of Projects Management Committees on their roles.

Thank You

Signature.....

Harrison Oukp Ogalo

**CHAIRMAN NGCDF 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 *Homabay Town Constituency 2018-2022* plan are to:

- a) To improve NG-CDF operations through monitoring and evaluation.
- b) To strengthen institutional capacity (skills and competencies development) of NG-CDFC and PMCs
- c) To effectively and efficiently manage the national government constituency development fund projects within the constituency.
- d) To develop effective, efficient accountable and transparent structures within in the constituency that enhance good governance.

#### Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To ensure institutional infrastructure development, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates	Construction and renovation of several classrooms, administration blocks, laboratories, dormitories and toilets both in primary and secondary schools thus providing conducive learning environment for children.	Usable physical infrastructures built in primary and secondary schools	Completed 1 administration blocks with 7 yet to be completed  Increased the number of Classrooms from 12 to 22 and commissioned more classrooms in 11 schools  Completed 1

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

		Several needy secondary and tertiary students from the constituency have partially and fully benefited from the Bursary kitty this has ensured greater access to education thus increasing transition rate from primary to secondary to higher learning institutions.	Bursary beneficiaries at all levels	more laboratory with 3 to be completed as soon Completed 1 dormitory with 1 to be completed soon  Increased number of beneficiaries in tertiary institutions
<b>Security</b>	Construct, equip to enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure	Improving infrastructure and service delivery in security sector.	Usable physical infrastructures built Police posts	Completed more 1 police post

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

- a. **Education and Training:** Homabay Town 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. Employee welfare**

We invest in providing the best working environment for our employees. Homabay Town 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. Homabay Town 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.

## **3. Market place practices-**

Homabay Town 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

## **4. Community Engagements-**

Homabay Town 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.

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

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**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.

Homabay Town 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.

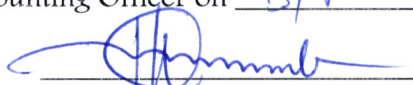
The Accounting Officer in charge of the NGCDF-Homabay Town Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

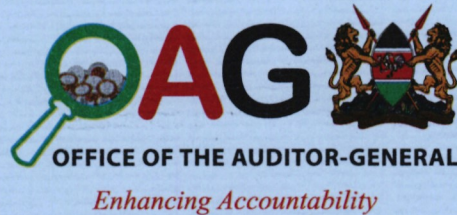
The NGCDF- Homabay Town Constituency financial statements were approved and signed by the Accounting Officer on 15/9 2021.

  
Chairman NGCDF Committee  
Name: Harrison Ouko

  
Fund Account Manager  
Name: Tom Wasike

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - HOMA BAY TOWN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for 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 control, 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**

#### **Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Homa Bay Town Constituency set out on pages

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

17 to 59, which comprise of the statement of assets and liabilities as at 30 June 2021, and the statement receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Homa Bay Town 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 Opinion**

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

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects total budgeted receipts of Kshs.188,405,411 and actual receipts of Kshs.143,316,532 resulting to an under-funding of Kshs.45,188,879 or 24% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.188,505,412 and Kshs.117,058,708 respectively resulting in an under-expenditure Kshs.71,446,704 or 38% of the budget.

The under-funding and under-expenditure affected the planned activities and might 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 sections 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. Delayed Construction of Classrooms**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects Kshs.79,930,781 in respect of transfers to other government entities. This includes Kshs.53,880,781 in respect to transfers to primary schools, out of which Kshs.4,000,000 was transferred towards construction of four (4) classrooms at Shauri Yako Primary School.

Review of expenditure records revealed that the contract was awarded at a contract sum of Kshs.7,841,170. The contractor had been paid a total of Kshs.3,919,760 in two (2) phases vide payment certificates dated 8 December, 2021 and 10 February, 2022 for Kshs.2,475,280 and Kshs.1,444,480 respectively. However, Management did not provide duly authorized payment vouchers and inspection reports for audit.

In addition, physical verification revealed that foundation, walling and placing of slab works had been done but the super structure walling, roofing and fixing of doors and windows, plastering, painting both interior and exterior walls were outstanding and the contractor was not on site. Though Management explained that it was a multi-year project, the approved 2022/2023 allocation for additional funds towards completion of the project was not provided for audit.

In the circumstances, value for money on the expenditure of Kshs.3,919,760 incurred on the project could not be confirmed.

### **2. Failure to Adhere to the Budget**

Review of the budget execution by sectors and projects revealed that Management allocated an amount of Kshs.17,970,973 towards bursary and social security projects, or 10% of the total budget of Kshs.188,505,412. This is contrary to Regulation 21 (5) of the National Government Constituency Development Fund Regulations, 2016 which requires that a constituency committee shall allocate not less than twenty five (25%) percent of the funds allocated to a constituency for bursaries.

In the circumstances, Management was in breach of law.

### **3. Over-Recruitment of the Staff**

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects expenditure of Kshs.4,727,003 in respect of compensation of employees. However, review of records revealed that the constituency committee employed thirty-four (34) persons on casual terms contrary to the provisions of the National Government Constituency Development Fund Board circular referenced CDFBOARD/Circulars/Vol.II/166 which requires five (5) posts to be filled at

constituency level to consist of a clerical officer, accounts assistant, clerk of works, records management officer and a driver.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 processes and systems of internal control, risk management and 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 sustain its services, disclosing, as applicable, matters related sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls would not necessarily disclose all matters in the internal controls 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 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 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 ability of the Fund to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**19 September, 2022**

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

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

**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	99,200,001	142,363,930
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	18,240	134,000
<b>TOTAL RECEIPTS</b>		<b>99,218,241</b>	<b>142,497,930</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,727,003	5,338,998
Use of goods and services	5	8,351,247	8,690,307
Transfers to Other Government Units	6	79,930,781	88,348,200
Other grants and transfers	7	22,580,580	38,116,396
Acquisition of Assets	8	-	6,450,996
Other Payments	9	1,469,097	-
<b>TOTAL PAYMENTS</b>		<b>117,058,708</b>	<b>146,944,897</b>
<b>SURPLUS/ (DEFICIT)</b>		<b>(17,840,467)</b>	<b>(4,446,967)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Homabay Town Constituency financial statements were approved on 15/9 2021 and signed by:

FUND ACCOUNT MANAGER  
P. O. Box 240-40300  
HOMABAY  
NGCDF BOARD  
C/O Homabay Constituency  
Tom Wasike

Fund Account Manager  
Name: Tom wasike

National Sub-County  
Accountant  
Name: Augustine M. Gudah  
ICPAK M/No: 20477


Chairman NG-CDF Committee  
Name: Harrison Ouko

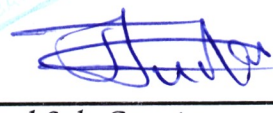
**Homabay Town Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**


**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	26,257,824	43,998,291
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>26,257,824</b>	<b>43,998,291</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>26,257,824</b>	<b>43,998,291</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>26,257,824</b>	<b>43,998,291</b>
<b>NET FINANCIAL ASSETS</b>			
<b>REPRESENTED BY</b>			
Fund balance b/fwd		43,998,291	47,802,258
Prior year adjustments	14	100,000	643,000
Surplus/Deficit for the year		(17,840,467)	(4,446,967)
<b>NET FINANCIAL POSITION</b>		<b>26,257,824</b>	<b>43,998,291</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Homabay Town Constituency financial statements were approved on 15/9/2021 and signed by:

  
FUND ACCOUNT MANAGER  
P. O. Box 240-0030  
HOMABAY  
cdmhomabaytown@ngcdf.go.ke  
Fund Account Manager  
Name: Tom Wasike

  
National Sub-County  
Accountant  
Name: Augustine M. Gudah  
ICPAK M/No: 20477

  
Chairman NG-CDF Committee  
Name: Harrison ouko


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


**IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

		2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	99,200,001	142,363,930
Other Receipts	3	18,240	134,000
<b>Total receipts</b>		<b>99,218,241</b>	<b>142,497,930</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,727,003	5,338,999
Use of goods and services	5	8,351,247	8,690,307
Transfers to Other Government Units	6	79,930,781	88,348,200
Other grants and transfers	7	22,580,580	38,116,396
Other Payments	9	1,469,097	-
<b>Total payments</b>		<b>117,058,708</b>	<b>140,493,902</b>
<b>Adjusted for:</b>			
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	100,000	643,000
<b>Net Adjustments</b>		<b>100,000</b>	<b>643,000</b>
<b>Net cash flow from operating activities</b>		<b>(17,740,467)</b>	<b>2,647,028</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	6,450,996
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(6,450,996)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(17,740,467)</b>	<b>(3,803,967)</b>
Cash and cash equivalent at BEGINNING of the year	10	<b>43,998,291</b>	<b>47,802,258</b>
Cash and cash equivalent at END of the year		<b>26,257,824</b>	<b>43,998,291</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Homabay Town Constituency financial statements were approved on

FUND ACCOUNT SIGNED BY:  
P. O. Box 240-40030  
HOMABAY TOWN  
cd/homabaytown/ngcdf.go.ke  
Fund Account Manager  
Name: Tom Wasike

  
National Sub-County  
Accountant  
Name: Augustine M. Gudah  
ICPAK M/No: 20477

  
Chairman NG-CDF Committee  
Name: Harrison Ouko

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

**X. SUMMARY STATEMENT OF APPROPRIATION**

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>RECEIPTS</b>							
Transfers from NG-CDF Board	137,088,879	46,398,292	5,000,000	188,387,171	143,298,292	45,188,879	76.0%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts		18,240		18,240	18,240	-	0.0%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>46,416,532</b>	<b>5,000,000</b>	<b>188,405,411</b>	<b>143,316,532</b>	<b>45,188,879</b>	<b>76.0%</b>
<b>PAYMENTS</b>							
Compensation of Employees	5,520,000	710,173		6,230,173	4,727,003	1,503,170	75.9%
Use of goods and services	6,659,404	1,954,789		8,614,193	8,351,247	262,946	96.9%
Transfers to Other Government Units	66,351,721	35,857,247	3,000,000	105,208,968	79,930,781	25,278,187	76.0%
Other grants and transfers	32,759,754	6,108,591	2,000,000	40,868,345	22,580,580	18,287,765	55.3%
Acquisition of Assets		289,004		289,004	-	289,004	0.0%
Other Payments	2,338,514	1,362,729		3,701,243	1,469,097	2,232,146	39.7%
Unallocated Funds	23,459,486	134,000		23,593,486		23,593,486	0.0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>46,416,533</b>	<b>5,000,000</b>	<b>188,505,412</b>	<b>117,058,708</b>	<b>71,446,703</b>	<b>62.1%</b>

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

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

- (a) Part of the revenue item is Ksh 18,240 that was realised from sale of tenders which form part of AIA
- (b) During the year the Fund experiencing under utilization of below 90% due to the following reasons
- i. **Compensation of employees (75.9%):** Underutilization was as a result of the Board not disbursing all the budgeted funds to the constituency by end of the financial year.
  - ii. **Transfers to other government units (76%):** Underutilization was as a result of the Board not disbursing all the budgeted funds to the constituency by end of the financial year.
  - iii. **Other Grants and other transfers (58.1%):** Underutilization was as a result of the Board not disbursing all the budgeted funds to the constituency by end of the financial year.
  - iv. **Acquisition of Assets (0.0%):** underutilization was as a result of failure of NG-CDFC to purchase the intended office asset
  - v. **Other Payments (39.7%):** Underutilization was as a result of the Board not disbursing all the budgeted funds to the constituency by end of the financial year

All the changes between the original and final budget were as a result of balances brought forward from the previous financial year 2020/2021, previous years outstanding disbursements, disbursement for previous years and AIA from sale of tender documents.

**Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities**

Description	Amount
Budget utilisation difference totals	71,446,703
Less undisbursed funds receivable from the Board as at 30th June 2021	45,188,879
	<b>26,257,824</b>
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
<b>Cash and Cash Equivalents at the end of the FY 202021</b>	<b>26,257,824</b>

The NGCDF-Homabay Town Constituency financial statements were approved on 15/9 2021 and signed by:

**FUND ACCOUNT MANAGER**  
P. O. Box 240-40300  
**HOMA BAY**  
NGCDF BOARD  
ngcdf@homabaytown.ngcdf.go.ke

Fund Account Manager  
Name: Tom wasike

National Sub-County  
Accountant  
Name: Augustine M. Gudah  
ICPAK M/No: 20477

Chairman NG-CDF Committee

Name: Harrison Ouko

**Homabay Town 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		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	Kshs	30/06/2021	Kshs		Kshs
<b>1.0 Administration and Recurrent</b>										
1.1 Compensation of employees	5,520,000		710,173		6,230,173		4,727,003		1,503,170	
1.2 Committee allowances	892,000		(789,477)		102,524		2,275,496		(2,172,973)	
1.3 Use of goods and services	1,687,373		(236,200)		1,451,173		2,095,261		(644,088)	
<b>Total</b>	<b>8,099,373</b>		<b>(315,504)</b>		<b>7,783,869</b>		<b>9,097,760</b>		<b>(1,313,891)</b>	
<b>2.0 Monitoring and evaluation</b>										
2.1 Capacity building	1,937,805		1,937,805		3,875,609		1,264,500		2,611,109	
2.2 Committee allowances	864,000		311,220		1,175,220		2,268,035		(1,092,815)	
2.3 Use of goods and services	1,278,227		731,440		2,009,667		447,955		1,561,712	
<b>Total</b>	<b>4,080,032</b>		<b>2,980,465</b>		<b>7,060,496</b>		<b>3,980,490</b>		<b>3,080,006</b>	
<b>3.0 Emergency</b>										
	7,192,207		3,413,681		10,605,888		8,350,000		2,255,888	

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
3.2 Secondary schools			-		-
3.3 Tertiary institutions			-		-
3.4 Security projects		-	-		-
3.5 Unutilised			-	-	-
<b>Total</b>	<b>7,192,207</b>	<b>3,413,681</b>	<b>10,605,888</b>	<b>8,350,000</b>	<b>2,255,888</b>
<b>4.0 Bursary and Social Security</b>					
4.1 Secondary Schools	11,848,279	(1,993,000)	9,855,279	5,593,260	4,262,019
4.2 Tertiary Institutions	6,500,000	598,145	7,098,145	3,813,320	3,284,825
4.3 Social Security	700,000	317,549	1,017,549	-	1,017,549
4.4 Special Needs			-	-	-
<b>Total</b>	<b>19,048,279</b>	<b>(1,077,306)</b>	<b>17,970,973</b>	<b>9,406,580</b>	<b>8,564,393</b>
<b>5.0 Sports</b>					
5.1	1,519,268	49,895	3,569,163	50,000	3,519,163
<b>Total</b>	<b>1,519,268</b>	<b>49,895</b>	<b>3,569,163</b>	<b>50,000</b>	<b>3,519,163</b>
<b>6.0 Environment</b>					
6.1	2,400,000	913,320	3,313,320	174,000	3,139,320
<b>Total</b>	<b>2,400,000</b>	<b>913,320</b>	<b>3,313,320</b>	<b>174,000</b>	<b>3,139,320</b>
<b>7.0 Primary Schools Projects</b>					
Kopiyo Primary School	-	700,000	700,000	700,000	-
Ngere Primary (Benchbond Limited)	1,500,000	1,500,000	3,000,000	3,000,000	-

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
School Desks	-	3,407,246	3,407,246	3,333,000	74,246
Rodi primary (Ralek Builders)	-	1,500,000	1,500,000	1,500,000	-
Homa Bay Primary	-	1,500,000	1,500,000	1,489,207	10,793
Ndiru Primary	-	3,600,000	3,600,000	3,600,000	-
Gogo Katuma Primary	-	1,500,000	1,500,000	1,500,000	-
Elogin Enterprises (Rodi Fencing)	-	2,500,000	2,500,000	2,495,000	5,000
Nduta Primary	-	550,000	550,000	550,000	-
Pap Ndege Primary	-	500,000	500,000	500,000	-
Ogande Special School	180,424	300,000	480,424	180,424	300,000
Shauri Yako Primary school	4,000,000	-	4,000,000	4,000,000	-
Lorateng primary school	3,000,000	-	3,000,000	3,000,000	-
Got Rabuor Primary	3,000,000	-	3,000,000	3,000,000	-
Majiwa Primary	2,500,000	-	2,500,000	2,500,000	-
Ogande Primary	1,500,000	-	1,500,000	1,500,000	-
Yawo Primary	1,000,000	-	1,000,000	1,000,000	-
Nyauu Primary	500,000	-	500,000	500,000	-
maguti Primary	1,500,000	-	1,500,000	1,500,000	-
Akele Primary	1,500,000	-	1,500,000	1,500,000	-
Lake Primary	1,500,000	-	1,500,000	1,500,000	-
Nyagidha Primary	1,000,000	-	1,000,000	1,000,000	-
Wiamen Primary	1,000,000	-	1,000,000	1,000,000	-
Rodi Primary	2,000,000	-	2,000,000	2,000,000	-
Kuja Primary	1,500,000	-	1,500,000	1,500,000	-
Ndori Primary	1,500,000	-	1,500,000	1,500,000	-
Maguje Primary	500,000	-	500,000	500,000	-
Disii Primary	1,000,000	-	1,000,000	1,000,000	-
Wiga Primary	500,000	-	500,000	500,000	-
Pundo Kalanya Primary	500,000	-	500,000	500,000	-

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
Ndiru Primary	500,000	-	500,000	500,000	-
Adongo Primary	345,950	-	345,950	345,950	-
Ndiru Primary	328,200	-	328,200	328,200	-
Kaluma Kotewa Primary	250,000	-	250,000	250,000	-
Nyakune Primary	200,000	-	200,000	200,000	-
Wiobiero Primary	100,000	-	100,000	100,000	-
Manga Primary	100,000	-	100,000	100,000	-
Watata Primary	500,000	-	500,000		500,000
Rodi Primary	1,000,000	-	1,000,000		1,000,000
Radiro Primary (Geological)	2,000,000	-	2,000,000		2,000,000
Ojunge Primary (Geological)	2,000,000	-	2,000,000		2,000,000
Kogello Kalanya Primary	350,000	-	350,000		350,000
Majiwa Primary			-		-
Ndiru Primary (Geological)	2,000,000	-	2,000,000		2,000,000
Riwa Primary school	1,400,000	-	1,400,000	1,400,000	-
Ogongo Katuma primary		2,300,001	2,300,001	2,309,000	(8,999)
<b>Total</b>	<b>42,254,574</b>	<b>19,857,247</b>	<b>62,111,821</b>	<b>53,880,781</b>	<b>8,231,040</b>
<b>8.0 Secondary Schools Projects</b>			-		-
St. Joseph,s Sero	500,000	2,800,000	3,300,000	3,300,000	-
Pala Masogo Secondary (Zitex Enterprises)	-	500,000	500,000	500,000	-
Dr.Ida Odinga LRI	-	10,000,000	10,000,000	10,000,000	-
Kuja Mixed Secondary	1,700,000	200,000	1,900,000	200,000	1,700,000
Homa Bay High School		3,000,000	3,000,000	-	3,000,000
Nyalkinyi Secondary	-	500,000	500,000	-	500,000
Chiga Mixed Secondary school	1,000,000	1,000,000	2,000,000	2,000,000	-
Rabuor Masawa Mixed Secondary School	1,000,000	1,000,000	2,000,000	2,000,000	-
St Theresas Nyauu Girls	1,000,000	-	1,000,000	1,000,000	-

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
ST Camillus Ojunge	1,500,000	-	1,500,000	1,500,000	-
Langoromo secondary	500,000	-	500,000	500,000	-
Riwa Secondary	500,000	-	500,000	500,000	-
Gogo Katuma Secondary	500,000	-	500,000	500,000	-
Nyagidha Secondary	850,000	-	850,000	850,000	-
St Pius Ndiru secondary	1,500,000	-	1,500,000	1,500,000	-
St Peters Disii Secondary	500,000	-	500,000	500,000	-
Maguti Mixed Secondary	500,000	-	500,000	500,000	-
Bishop Okullu Magare	500,000	-	500,000	500,000	-
Lala Mixed Secondary	200,000	-	200,000	200,000	-
Ogande Girls High	697,147	-	697,147	697,147	697,147
Ogande Mixed Secondary	1,150,000	-	1,150,000	-	1,150,000
Wiobiero Secondary	1,000,000	-	1,000,000	1,000,000	1,000,000
St Therasas Nyauu Girls Geological	2,000,000	-	2,000,000	2,000,000	2,000,000
Marindi Girls Secondary (Bus)	7,000,000	-	7,000,000	7,000,000	7,000,000
<b>Total</b>	<b>24,097,147</b>	<b>16,000,000</b>	<b>43,097,147</b>	<b>26,050,000</b>	<b>17,047,147</b>
<b>10.0 Security Projects</b>					
Rodi Police Station(Transonny Ltd)	2,600,000	1,000,000	3,600,000	3,600,000	-
H/Bay Police Headquarter Obwanda Osum	-	1,009,000	1,009,000	1,000,000	9,000
Kalanya kanyango chief office	-	800,000	800,000		800,000
<b>Total</b>	<b>2,600,000</b>	<b>2,809,000</b>	<b>5,409,000</b>	<b>4,600,000</b>	<b>809,000</b>
<b>11.0 Acquisition of assets</b>					
11.1 Motor Vehicles/Motorcycle		289,004	289,004	-	289,004

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
<b>Total</b>	<b>289,004</b>	<b>-</b>	<b>289,004</b>	<b>-</b>	<b>289,004</b>
<b>12.0 Other payments</b>					
Kabunde Ict Hub	-	1,170,000	1,170,000	1,169,097	903
Imbo Ict	1,169,257	-	1,169,257	-	1,169,257
Rodi Primary Ict	1,169,257	-	1,169,257	-	1,169,257
Electricity	-	(152,071)	(152,071)	-	(152,071)
Strategic Plan	-	344,800	344,800	300,000	44,800
<b>Total</b>	<b>2,338,514</b>	<b>1,362,729</b>	<b>3,701,243</b>	<b>1,469,097</b>	<b>2,232,146</b>
<b>13.0 unallocated fund</b>					
Unapproved projects					
Kopiyo Primay School Road	1,000,000		1,000,000		1,000,000
Watata Primary School	600,000		600,000		600,000
Langoromo Primary School Road	1,000,000		1,000,000		1,000,000
Got-Kochungo Primary School Road	1,000,000		1,000,000		1,000,000
Chiga Primary School Road	1,000,000		1,000,000		1,000,000
Otaro Primary School Road	1,000,000		1,000,000		1,000,000
Ogande Girls High	15,000,000		15,000,000		15,000,000
Ngere Mixed Secondary	2,200,000		2,200,000		2,200,000
Unallocated Funds	659,486		659,486		659,486

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
AIA	134,000		134,000		134,000
PMC savings					
<b>Total</b>	<b>23,459,486</b>	<b>-</b>	<b>23,593,486</b>	<b>-</b>	<b>23,593,486</b>
	<b>137,088,879</b>	<b>5,000,000</b>	<b>188,505,411</b>	<b>117,058,708</b>	<b>71,446,703</b>

tatement 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)

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

**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-Homabay Town 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.

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

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**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

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

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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 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> 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 30<sup>th</sup> 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.

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

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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.

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

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
	B047318	1	6,260,000
	B047420	2	4,000,000
	B041460	3	20,000,000
	B047892	4	9,000,000
	B049270	5	17,000,000
	B104292	6	18,000,000
	B09680	7	1,736,206
	B096751	8	66,367,724
B096872	1	2,300,001.00	
B124701	2	9,000,000.00	
B124944	3	10,000,000.00	
B119799	4	13,000,000.00	
B128089	5	6,900,000.00	
B128400	6	6,000,000.00	
B132144	7	6,000,000.00	
B138812	8	13,000,000.00	
B126397	9	10,000,000.00	
B126108	10	8,000,000.00	
B140543	11	15,000,000.00	
<b>TOTAL</b>		<b>99,200,001</b>	<b>142,363,930</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	18,240	129,000
Hire of plant/equipment/facilities	-	5,000
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>18,240</b>	<b>134,000</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,456,638	5,211,134
<b>Personal allowances paid as part of salary</b>		
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	0	0
Employer Contributions Compulsory national social security schemes	270,365	127,865
<b>Total</b>	<b>4,727,003</b>	<b>5,338,999</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	1,088,700	649,000
Utilities, supplies and services	30,000	755,450
Communication, supplies and services	187,220	344,215
Domestic travel and subsistence	175,000	561,010
Printing, advertising and information supplies & services	103,820	66,702
Rentals of produced assets	0	5,200
Other Committee Expenses	2,629,614	
Training expenses	1,264,500	291,400
Hospitality supplies and services	264,620	318,520
Insurance costs	0	0.00
Specialized materials and services	0	38,800
Office and general supplies and services	1,199,150	930,915
Other operating expenses	1,387,223	1,869,885
Routine maintenance – vehicles and other transport equipment	13,900	0
Routine maintenance – other assets	7,500	8,500
<b>Total</b>	<b>8,351,247</b>	<b>8,690,307</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	53,880,781	37,448,200
Transfers to secondary schools (see attached list)	26,050,000	50,900,000
Transfers to tertiary institutions (see attached list)		
<b>TOTAL</b>	<b>79,930,781</b>	<b>88,348,200</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	5,593,260	24,674,939
Bursary – tertiary institutions (see attached list)	3,813,320	2,772,000
Bursary – special schools (see attached list)	0	82,451
Mock & CAT (see attached list)	0	0
Social Security programmes (NHIF)	0	0
Roads	3,709,000	120,000
Electricity	0	152,070
Security projects (see attached list)	4,600,000	300,000
Sports projects (see attached list)	50,000	100,000
Environment projects (see attached list)	174,000	3,822,886
Emergency projects (see attached list)	8,350,000	6,092,050
<b>Total</b>	<b>22,580,580</b>	<b>38,116,396</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	6,153,996.00
Purchase of Vehicles and Other Transport Equipment	0	297,000.00
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>6,450,996</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	300,000	0
ICT Hub	1,169,097	0
	<b>1,469,097</b>	<b>0</b>

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10: CASH BOOK BANK BALANCE**

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank, Homabay. Homabay Town NG-CDF A/C no.0980261595074</i>	26,257,824	43,998,291
	0	0
	0	0
<b>Total</b>	<b>26,257,824</b>	<b>43,998,291</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**11: OUTSTANDING IMPRESTS**

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Total</i>				0

**12A. RETENTION**

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	0	0

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	43,998,292	47,802,258
Cash in hand	0	0
Imprest	0	0
	0	0
<b>Total</b>	<b>43,998,292</b>	<b>47,802,258</b>

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	0	100,000	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others ( <i>specify</i> )	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

	2020-2021	2019-2020
	KShs	
Outstanding Imprest as at 1 <sup>st</sup> July (A)	0	0
Imprest issued during the year (B)	3,779,400	0
Imprest surrendered during the Year (C)	3,779,400	0
closing accounts in account receivables D= A+B-C	0	0

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2020 – 2019	2018 – 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account receivables D= A+B-C	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
	0	0

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,503,170	710,173
Use of goods and services	262,946	1,854,739
Amounts due to other Government entities (see attached list)	25,278,187	33,557,246
Amounts due to other grants and other transfers (see attached list)	16,287,764	9,465,328
Acquisition of assets	289,004	289,004
Others ( <i>specify</i> )	2,232,146	987,800
Funds pending approval	25,593,486	134,000
<b>TOTAL</b>	<b>71,446,703</b>	<b>46,998,290</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	21,142,231	28,512,182
	21,142,231	28,512,182

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

**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					

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

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
	Sub-Total			
	Grand Total			

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

**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Payment of all benefits accruing to all the NG-CDF Staff	1,503,170	710,173	Unspent balance
Use of goods & services	Payment of committee sitting allowances and other allowances to the NG-CDF members, M&E, Capacity building and other office utilities	262,947	1,854,739	Unspent balance , Funds Not yet released by NG-CDF Board
<b>Amounts due to other Government entities</b>				
Homabay Primary		10,793		
Rodi Primary		5,000		
Ogande Special		300,000		
School Desks		74,246		
Watata Primary		500,000		
Rodi Primary		1,000,000		
Radiro primary		2,000,000		
Ojunge Primary		2,000,000		
Kogelo Kalanya Primary		350,000		Unspent balance , Funds Not yet released by NG-CDF Board
Ogongo Katuma Primary		(8,999)		
Ndiru Primary		2,000,000	24,557,246	
Kuja Mixed Secondary school		1,700,000		

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

Ogande G. High School		3,000,000		
Nyalkinyi Mixed Secondary		500,000		
Ogande Girls High School		697,147		
Ogande Mixed Secondary		1,150,000		
Wiobiero Secondary School		1,000,000		
Nyauu Girls Secondary School		2,000,000		Unspent balance , Funds Not yet released by NG-CDF Board
Marindi Girls Secondary School		7,000,000		9,000,000
	Primary & Secondary schools infrastructural improvement			
<b>Sub-Total</b>		<b>25,278,187</b>		<b>33,557,246</b>
<b>Amounts due to other grants and other transfers</b>				
Emergency		2,255,888		Unspent balance , Funds Not yet released by NG-CDF Board
Bursary		8,564,393		Unspent balance , Funds Not yet released by NG-CDF Board
Environment		3,139,320		Unspent balance , Funds Not yet released by NG-CDF Board
Security		809,000		Unspent balance
Sports		3,519,163		Unspent balance , Funds Not yet released by NG-CDF Board
<b>Sub-Total</b>		<b>18,287,764</b>		<b>9,465,928</b>
<b>Acquisition of assets</b>				
	Funds to purchase office motorcycle	289,004		289,004
				Unspent balance
<b>Others (specify)</b>				

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

ICT Hubs		2,187,346		Unspent balance , Funds Not yet released by NG-CDF Board
Strategic plan		44,800	344,800	Unspent balance
Cheques received Back			643,000	
<b>Sub-Total</b>		<b>2,232,146</b>	<b>987,800</b>	
Funds pending approval		23,593,486	134,000	
<b>Grand Total</b>		<b>71,446,703</b>	<b>46,998,290</b>	

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

**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	23,000,000	-	-	23,000,000
Buildings and structures	6,153,996	-	-	6,153,996
Transport equipment	941,000	-	-	941,000
Office equipment, furniture and fittings	265,000	-	-	265,000
ICT Equipment, Software and Other ICT Assets	95,000	-	-	95,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>30,454,996</b>			<b>30,454,996</b>

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

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Lala Mixed Secondary School	Equity-Hb	980261759144	1,012	1,012
Ruga Mixed Secondary School	Equity-Hb	980261732258	198,797	367,917
Adongo Primary School	Equity-Hb	980271097763	30,541	559,350
Sero Mixed Secondary School	Equity-Hb	980261742746	501,125	25,230
Maguti Mixed Secondary School	Equity-Hb	980264228556	21,134	54,314
Rabuor Masawa Mixed Secondary School	Equity-Hb	980266041934	1,001,545	775,285
Wiobiero Primary School	Equity-Hb	980268443443	188	0
Gogo Katuma Mixed Secondary School	Equity-Hb	980261764725	510,915	265,315
Pedo Primary School	Equity-Hb	980279107164	4,621	166,337
St Pius Ndiru Mixed Secondary School	Equity-Hb	980263580662	8,030	1,061,950
Langoromo Primary School	Equity-Hb	980279866444	2,691	1,000,000
Pap Ndege Mixed Secondary School	Equity-Hb	980269026996	14,200	301,440
Langoromo Mixed Secondary School	Equity-Hb	980262130924	541,522	1,022,123
Kogelo Kalanya Primary	Equity-Hb	980278953852	3,155	0
Nyakahia Mixed Secondary School	Equity-Hb	980265987477	873	516,706
Riwa Mixed Secondary School	Equity-HB	980263474286	506,006	2,446
Arunda Primary school	Equity-HB	980261746780	385	563
Kogwang Primary School	Equity-HB	980266500664	2,060	2,060
Dr. Mbai Primary School	Equity-HB	980261746911	2,300	6,420
Got Kochungo primary School	Equity-HB	980261799890	6,615	6,615
Homabay Town const Roads PMC	Equity-HB	980266470825	3,960	3,960
Imbo Health Center	Equity-HB	980264466760	9,340	9,340
Kambeke Primary School	Equity-HB	980261593903	212,786	266
Kuja Primary School	Equity-HB	980266196092	1,500,700	1,120
Maguti Primary School	Equity-HB	980264228556	21,134	515,870

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Majiwa Primary School	Equity-HB	980268442199	567,619	5,000
Marindi AP Camp	Equity-HB	980267403951	480	480
Marindi Health Centre	Equity-HB	980262785730	0	7,348
Nyakahia Primary School	Equity-HB	980264454863	1,560	1,560
Nyatago kachar	Equity-HB	980261754595	5,285	5,285
Rangwena Primary School	Equity-HB	980261799747	1,725	1,725
Rodi Chief's camp	Equity-HB	980266152463	7,370	7,370
Rodi Primary School	Equity-HB	980262623835	3,487	3,145
Sero Primary School	Equity-HB	980263669075	1,700	1,700
St Marys Marindi Girls	Equity-HB	980262152807	17,630	8,020
St. Patrick Makongeni Primary	Equity-HB	980261737570	176,779	785
Shauri Yako Primary	Equity-HB	980278904589	1,400	1,400
Watata Primary	Equity-HB	980261736854	1,584	211,441
Ndiru Primary	Equity-HB	980262088557	162,609	341,905
Nyanguu Primary	Equity-HB	980261732727	7,000	3,860
Kambeke Primary	Equity-HB	980261593903	212,786	12,786
Bishop Okulu Magare Girls	Equity-HB	980277829282	162,641	923,072
Arunda Primary	Equity-HB	980261746780	385	475
Wiobiero Secondary School	Equity-HB	980262667929	208,076	3,008,460
Lake Primary	Equity-HB	980262534689	583,350	106,380
Bishop Ochiel Otaru Secondary	Equity-HB	98026758847	0	1,025,063
Nyalkinyi Mixed Secondary School	Equity-HB	980262637125	2,302	1,043,630
Ogande Girls Secondary School	Equity-HB	980262300238	14,162	3,539,891
Pala Masogo Mixed Secondary School	Equity-HB	980263676095	40,640	40,640
Nyagidha Mixed Secondary School	Equity-HB	980266406972	882,690	803,880
St Dominic Wiga Secondary	Equity-HB	980261767294	9,250	0

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Chiga Mixed Secondary School	Equity-HB	980261768889	1,023,204	24,372
St Therasas Nyauu	Equity-HB	980262200124	1,505,405	1,023,210
Kuja Mixed Secondary School	Equity-HB	9802661411178	0	1,505,330
Ogande Mixed	Equity-HB	980263579492	1,820	4,525
Nyalkinyi Secondary School	Equity-HB	980263530538	18,710	1,820
Nyakune Primary	Equity-HB	980261743690	11,845	53,050
St Ambrose Got Rabuor Mixed	Equity-HB	980261743690	11,845	11,845
St Peters Disii Secondary	Equity-HB	98026278419	0	1,003,515
St. Camillus Ojunge Mixed Secondary School	Equity-HB	980261729279	1,159,639	920
Homabay High School	Equity-HB	980278813036	1,125	0
Homabay Primary	Equity-HB	980271097763	30,541	1,125
Majiwa Primary	Equity-HB	980263676095	40,640	5,000
Ngere Mixed Secondary	Equity-HB	980261759721	4,030	20,322
Arujo Primary School	Equity-HB	980262522607	0	504,680
Kaluma Kotewa Primary School	Equity-HB	980262522607	19,462	19,462
Kijawa Primary School	Equity-HB	98026340645	0	340
Opande Rarage Primary	Equity-HB		0	0
Kopiyo Primary School	Equity-HB	980261739112	4,526	1,260
Lieta Kabunde Primary School	Equity-HB	980264382324	0	700,200
Loorateng Primary School	Equity-HB	980264382384	273,835	507,340
Maguje Primary School	Equity-HB	980261738862	5,192	57,552
Muche Primary School	Equity-HB	980264413334	4,327	502,725
Nduta Primary School	Equity-HB	980299711771	725	725
Ngere Primary School	Equity-HB	980261759831	19,981	2,364
Nyauu Primary School	Equity-HB	980268395917	504,029	1,153,153
Ogande Special School	Equity-HB	980266236187	3,611	18,731
Ogongo Katuma Primary School	Equity-HB	980261773246	153	153

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Olodo Primary School	Equity-HB	980268454675	1,260	301,380
Orego Primary School	Equity-HB	980263840143	4,820	506,160
Otaro Primary School	Equity-HB	980279897147	58	700,000
Pala Masogo Primary School	Equity-HB	980265668925	2,780	2,780
Pundo Kalanya Primary School	Equity-HB	980261736094	12,130	502,130
Radiro Primary School	Equity-HB	980266276075	14	515,479
Roba Primary School	Equity-HB	980261733354	365	39,445
Rodi Primary School	Equity-HB	980261736094	12,130	39,445
Wiga Primaryschool	Equity-HB	980269136926	489	500,111
Wiamen Primary School	Equity-HB	980266085074	1,001,450	1,450
Yao Primary School	Equity-HB	980263875593	1,008,535	500,435
Kanyabala Chiefs Office	Equity-HB	980264467243	8,710	8,710
Rodi Police Post	Equity-HB	980280881697	1,250,311	
Ndori Primary School	Equity-HB	980262296515	1,502,955	
Akele Primary School	Equity-HB	980263679988	1,503,450	
Yao Primary School	Equity-HB	980263875593	1,008,535	
Wiamen Primary School	Equity-HB	980266085074	1,001,450	
<b>Total</b>			<b>21,142,231.18</b>	<b>28,512,182.41</b>

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

**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)
01	<p>Hiring of Casual Employees-The statement of receipts and payments reflects expenditure of Kshs. 5,338,999 under compensation of employees for the year ended 30 June 2020. The expenditure includes an amount of Kshs. 2,437,500 which was spent on payment of wages to thirty-four casual employees. However, the recruitment process did not adhere to the provisions of Circular No. CDF BOARD/CIRCULARS/VOL.II/166 dated 2 June 2013 which stipulates that all recruitments of CDF staff shall be competitive. Advertisement for the positions was not done before the appointments were made. Further, job specifications and job descriptions of the casual workers were not provided for audit review. In the circumstances, the validity and value for money of the expenditure of</p>	<p>The NG-CDF Act in its provision under section 45 of the CDF Act 2015 provides for employment of staff as the committee may deem considering on their ability to perform the duties effectively and professionally. The Act however does not give guideline on the number of employees to be engaged hence leaving the window for the NG-CDFC to determine.</p> <p>Homabay Town Constituency has employed casual employees who are based in different locations and are charged with the following responsibilities among others:</p> <ul style="list-style-type: none"> <li>➤ Carry out an assessment on community needs and views on</li> </ul>	Resolved	

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

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>Kshs. 2,437,500 incurred on wages for casual employees could not be ascertained.</p>	<p>the fund</p> <ul style="list-style-type: none"> <li>➤ Report on project progress and pending projects from their area of jurisdiction</li> <li>➤ Report on bursary needy beneficiaries' need cases, awards and impact in the area they represent and complain thereto taking into consideration the status of the student and family at large.</li> </ul> <p><b>A field officers report template has been designed for them to fill and update the office on monthly basis as a tool of engagement. A copy of the template specifying the roles of each one of them has been attached for your expedition.</b></p> <p><b>On the other hand Homabay Town NG-CDFC does not have an approved personnel</b></p>		

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

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>establishment that defines the number of employees required in each category. This probably has been occasioned by weakness on the side of the NG-CDFC in the past but we promise to do the same with the new committee now in place to ensure that there is a clear and defined role for each employee. Sir this has been discussed durin the inauguration of the new NG-CDFC Committee and we believe that changes will be effected soonest possible and will not be an audit issue in the next exercise.</p>		
02	<p>Irregular Expenditure from Emergency Reserve-included in Other Grants and Other Payments balance of Kshs. 38,116,397 in the statement of receipts and payments are expenditures worth Kshs. 6,092,050 relating to Emergency Projects,</p>	<p>The NG-CDF carried out the above listed activities using emergency funding as both scenarios has public complains and more so calls from the schools as both the students and teachers could</p>	Resolved	

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

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>which in turn includes expenditures worth Kshs. 2,600,000 in regard to construction of access roads which is a devolved function of the County Government, the emergency fund was used for murraming, grading and gravelling of three access roads. Site verification of the access roads projects revealed that the projects were not labeled contrary to the provision of Regulation 15. (1) (f) of NGCDF Regulations, which requires a project to be labelled and handed over upon completion and failure to observe the provisions of this regulation, construction works for access road to Ruga primary has been claimed by a different entity through a publicity signboard. Further, the emergency payments did not meet the threshold set for urgent and unforeseen need as prescribed by section 8(3) of the Act, which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed</p>	<p>not access their schools easily due to the heavy rain downpour which had spoiled the roads rendering even most teacher parking their cars 300 meters away in neighbors homesteads and Sir this is what informed the decision to do the roads.</p> <p>Construction of access roads is a devolved function of County Governments as prescribed but on such scenarios that we have roads accessing to National Government learning functions then its interception is called for. In these scenarios all the access roads were leading to the Secondary and Primary Schools. However as advised the NG-CDFC will discourage application of funds on projects which do not fall under its mandate.</p> <p>Sir I also want to assure you</p>		

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

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>until the next financial year without harming the public interest of the constituents.</p> <p>Under the circumstances, the value for money and the regularity of the expenditure of Kshs. 2,600,000 from the emergency reserves on construction of access roads could not be confirmed</p>	<p>that the publicity notice boards were all in place during and immediately after completion of the projects. However in the recent past the Constituency has had cases of vandalism of sign posts erected by NG-CDFC which we have reported to the authorities for cause of action to be taken against the perpetrators hence reason why during the visit some sign posts could not be seen.</p> <p>Sir we have attached photos of project implementation to inform you the state of the roads before being worked on, photos of some of the vandalized sign posts and a letter written to the Sub County Police Commander addressing the same complain for your information</p>	Resolved	
03	<p>Non- Remittance of Statutory Deductions</p> <p>Included in the compensation of employee's figure of Kshs. 5,338,999 in the statement of receipts and</p>	<p><b>The Constituency paid penalties in respect to statutory of Pay As You Earn, National Hospital Insurance Fund and National Social Security Fund due to late receipt of funds</b></p>	Resolved	

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

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)
04	<p>payments, is an expenditure of Kshs. 84,961 paid in respect of penalties for late remittance of statutory deductions. The amount of Kshs. 84,961 penalties for late remittance of statutory deductions is effectively an out of budget expenditure which has denied the people of Homabay the benefits which could have been enjoyed if the funds were applied according to the approved budget.</p> <p>Construction of library at Homabay High School- The transfer to other government units figure of Kshs. 88,348,200 includes Kshs. 50,900,000 for transfers to secondary schools that comprises of Kshs. 2,000,000 allocated to Homabay High School towards construction of library co-funded by PTA and NG-CDF. The amount was reallocated to renovation of four classrooms without the board's authority. A further Kshs. 3,000,000 being part of cash and cash equivalents allocated to the project during the</p>	<p>from the National Treasury through the NG-CDF Board. The payment of salaries sometimes is delayed to even six months due to lack of budgetary allocation which is also influenced by the number of staff engaged in the Constituency.</p> <p>After the audit exercise, the office has been remitting the statutory deductions on time as can be seen on the attached pay in slips.</p>	Resolved	

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

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)
	year has not been released for unexplained reasons.			
05	<p><b>Construction of Administration block at Ndiru Secondary School-</b> The tender was awarded to M/S Dapeg Construction at a tender sum of Kshs. 2,046,450 being the lowest evaluated bidder as per contract agreement of 19<sup>th</sup> July 2019.</p> <p>However, when construction of the project had barely commenced, the plan was changed and as a result the bill of quantities increased by 171% (Kshs. 3,490,895) from Kshs. 2,046,450 to Kshs. 5,537,345.</p> <p>A physical verification of the project was conducted on 11<sup>th</sup> Jan 2021 and it was established that tiling, painting, window panes, doors, windows and ceiling had not been done. The contractor was not also on site.</p>		Resolved	