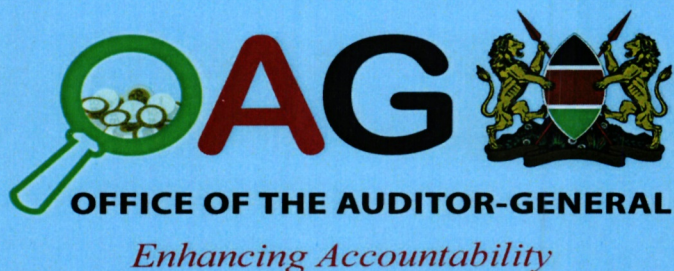
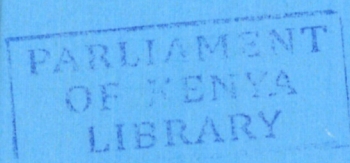


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

DATE: 22 NOV 2022

Tuesday

ON

BY:

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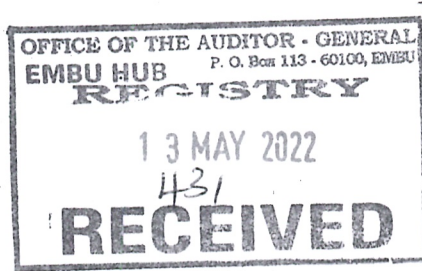
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**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
TIGANIA EAST CONSTITUENCY**

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



Revised Template 30th June 2021



TIGANIA EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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

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TIGANIA EAST 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

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

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 TIGANIA EAST Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Stephen Maina Kinyingi
2.	Sub-County Accountant	Paul Odera
3.	Chairman NGCDFC	David Muriera
4.	Member NGCDFC	James Mwenda

(d) Fiduciary Oversight Arrangements

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

P.O: Box 17-10106
Muriri
Meru, KENYA

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

(f) TIGANIA EAST Constituency NGCDF Contacts

Telephone:
E-mail: tiganiaeast.go.ke
Website: www.go.ke

(g) TIGANIA EAST Constituency NGCDF Bankers

Cooperative bank
1120378126000
Makutano Branch
P.o Box 11
Makutano

(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

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

II. NG-CDFC CHAIRMAN'S REPORT

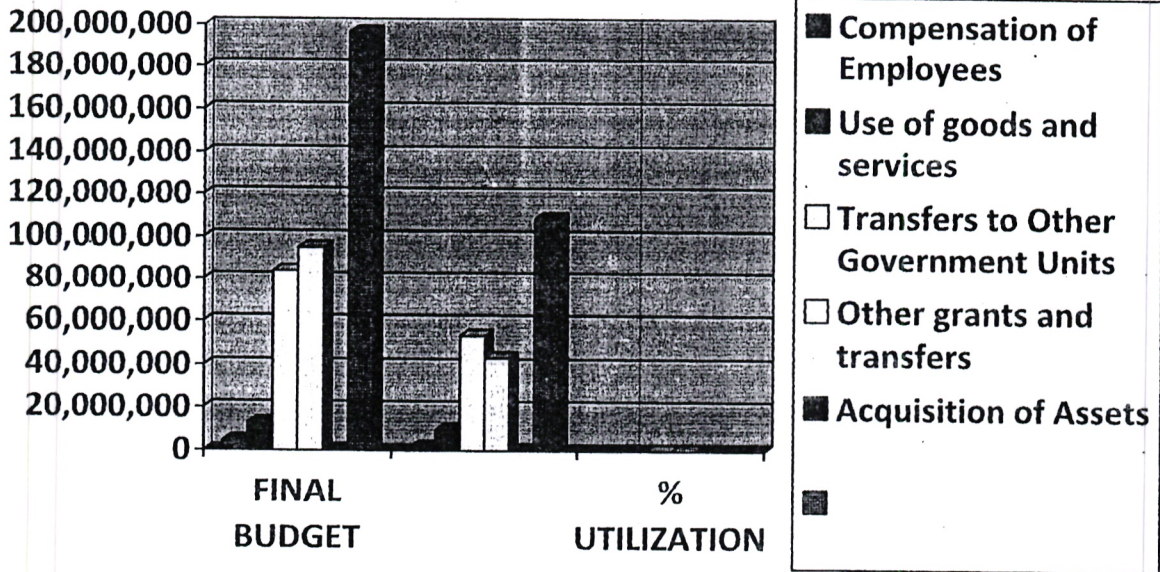


The table below shows the percentage of funds utilized against the total budget for each expense item.

The overall absorption of the available funds was however impressive since out of the total funds of ksh 119M received during the year, and the balance brought forward from last year of ksh 10M both totalling to ksh 129M, 108M was utilized during the year under review. This translates to 84% absorption rate.

EXPENSE ITEM	FINAL BUDGET	ACTUAL	% UTILIZATION
Compensation of Employees	6,188,951	3,790,874	61.3%
Use of goods and services	14,195,403	7,553,083	53.2%
Transfers to Other Government Units	107,661,681	73,709,000	68.5%
Other grants and transfers	105,931,156	53,628,328	50.6%
Acquisition of Assets			
	233,977,191	138,681,285	59.3%

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



Among the emerging issues negatively affecting the fund during the year under review were the emergence of the deadly *Corona virus* pandemic in the middle of the year which has wreaked havoc on all key activities of the fund. Meetings, sporting activities and all institutions of learning were closed indefinitely just as the committee was processing bursaries for both secondary and tertiary institutions. The reopening of the same remains uncertain as the pandemic was worsening at the closure of the financial year. The fund will continue supporting the pandemic containment measures to the extent allowable under the NG-CDF Act.

Signature
CHAIRMAN NGCDF COMMITTEE
DAVID MURIERA

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

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 *TIGANIA EAST Constituency 2018-2022* plan are to:
 To be the leading constituency in providing holistic education for sustainable development and education that is globally competitive.

To establish a firm foundation towards a developed and prosperous constituency that is clean, secure and infrastructural sound.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Number and quality of usable physical infrastructure built in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 19/20 -we improved the physical infrastructure in 21 secondary schools and 29 primary schools as per the attached schedules. -Most of the bursaries had not been disbursed due to closure of education institutions as a result of <i>corona virus</i> pandemic
Security	To reduce incidences of cattle rustling and other crimes in the constituency	Build police posts, administration police posts and sub county administration offices for chiefs	Number of police posts and staff quarters completed. Number of chiefs/assistant chiefs offices	In FY 19/20 -we improved the physical infrastructure in 2 ACC'S offices, 4 chiefs offices and 3 police posts as per

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

		and assistant chiefs	constructed	attached schedules
Environment	To increase forest cover in the constituency and increase awareness on rain water harvesting.	Fund tree planting and rain water harvesting activities	Number of trees planted. Number of schools harvesting rain water for school use.	Funded planting of 20,000 tree seedlings and 15 schools with rain water harvesting 10,000 litre water tanks and gutters.
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- Number and quality of usable physical infrastructure built in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 -we improved the physical infrastructure in 21 secondary schools and 29 primary schools as per the attached schedules. -Most of the bursaries had not been disbursed due to closure of education institutions as a result of <i>corona virus</i> pandemic
Security	To reduce incidences of cattle rustling and other crimes in the constituency	Build police posts, administration police posts and sub county administration offices for chiefs and assistant chiefs	Number of police posts and staff quarters completed. Number of chiefs/assistant chiefs offices constructed	In FY 19/20 -we improved the physical infrastructure in 2 ACC'S offices, 4 chiefs offices and 3 police posts as per attached schedules

TIGANIA EAST Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Tigania East 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 TIGANIA EAST NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

2. Environmental performance

The constituency has diversified its environment activities to include promotion of rain water harvesting by buying schools tanks and installation of gutters, in addition to increasing forest cover by planting at least 20,000 trees every year. To increase the chances of survival of the trees, the NG-CDFC has continued to consult the environmental experts in the forestry department to ensure the right tree varieties have been planted in accordance with the climatic conditions in the beneficiary institutions.

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

3. Employee welfare

We invest in providing the best working environment for our employees. Tigania East 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. Tigania East constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Tigania East NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

The NG CDF 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.

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

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

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-TIGANIA EAST 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-TIGANIA EAST 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- TIGANIA EAST 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 TIGANIA EAST 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- TIGANIA EAST Constituency financial statements were approved and signed by the Accounting Officer on 5th May 2022



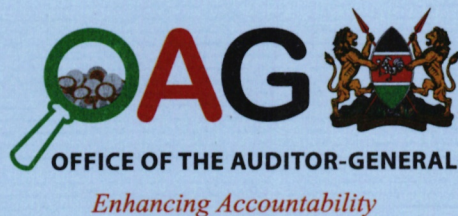
Chairman NGCDF Committee
Name: DAVID MURIETA



Fund Account Manager
Name: Stephen Maina

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Tigania East Constituency set out on pages 14 to 63,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Tigania East 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 Qualification

1.0 Unsupported Training Expenses

The statement of receipts and payments and Note 5 to the financial statements reflect use of goods and services amount of Kshs.7,553,083 that includes training expenses of Kshs.1,028,400. The training expenses include an amount of Kshs.576,000 for a four (4) days training in a hotel that was not included in the list of prequalified suppliers for the period under review. Further, a training program, signed attendance register, report of the training and records of travel to the venue in support of the expenses were not provided for audit verification.

In the circumstances, the accuracy and completeness of training expenses of Kshs.576,000 could not be confirmed.

2.0 Irregular Procurement of Deputy County Commissioner's (DCC) Fence and Gate Construction

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers of Kshs.53,628,328 which includes Kshs.10,000,000 in respect to security projects. The security projects amount further includes Kshs.2,500,000 for the construction of Tigania East DCC office gate and fencing. Review of records revealed that the company which was contracted had not attached two-year bank statements, which was a mandatory document for a firm to win the tender award. It was therefore not possible to confirm how the firm was selected and awarded the works without providing the required bidding records and why the contract was subsequently awarded to the firm.

In the circumstances, the regularity of the expenditure of Kshs.2,500,000 could not be confirmed.

3.0 Unacknowledged Bursaries

The statement of receipts and payments and Note 7 to the financial statements reflect other grants and transfers of Kshs.53,628,328 which include bursaries to secondary schools and tertiary institutions of Kshs.22,427,828 and Kshs.12,600,500 respectively. Review of samples from each category revealed that Kshs.342,000 and Kshs.308,500 bursaries for secondary and tertiary institutions respectively were not acknowledged by the receiving Institutions. Further, it was not possible to confirm that the amount benefitted the intended beneficiaries.

In the circumstances, the accuracy and completeness of the bursaries issued of Kshs.650,500 could not be confirmed.

4.0 Unsupported Other Committee Allowances

The statement of receipts and payments and Note 5 to the financial statements reflect use of goods and services amount of Kshs.7,553,083 which includes other committee expenses of Kshs.4,811,480. Records provided revealed that committee allowances of Kshs.300,000 were not supported by work tickets showing the dates when the visits were conducted and the itinerary for the monitoring and evaluation exercise.

In the circumstances, the regularity of other committee allowances of Kshs.300,000 could not be confirmed.

5.0 Understatement of Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.55,057,027. Review of the bank reconciliation statements as at 30 June, 2021 revealed unpresented cheques totalling Kshs.21,053,895 out of which stale cheques amounting to Kshs.10,609,795 had not been reversed in the cashbook thereby understating the cash book balance by the same amount. No reason was given by the Fund Management for failure to reverse or replace the stale cheques.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.55,057,027 could not be confirmed.

6.0 Accuracy and Presentation of the Financial Statements

Annex 4 to the financial statements reflects a closing balance of Kshs.19,447,540 and an opening balance of Kshs.18,640,491 in respect to summary of fixed assets register historical cost for the current and comparative years balances respectively thus indicating that there were additions during the year under review of Kshs.807,049. However, the annex did not include the details of the additions during the year and therefore it was not possible to confirm the accuracy of the summary of fixed assets register.

The summary statements of appropriation for recurrent and development reflects actual total receipts on comparable basis of Kshs.138,681,285 comprising of Kshs.11,343,957

for recurrent and Kshs.127,337,328 for development. However, the statement of receipts and payments reflects receipts of Kshs.172,767,724 resulting to an unreconciled variance of Kshs.34,086,439.

Further, the financial statements do not include the summary statement of appropriation combined as required by the financial reporting template released by the Public Sector Accounting Standards Board (PSASB).

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

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation reflects a final budget and actual receipts on comparable basis of Kshs.233,977,191 and Kshs.138,681,285 respectively, resulting to an underfunding of Kshs.95,295,906 or 41% of the budget.

Similarly, the Fund spent Kshs.138,681,285 against an approved budget of Kshs.233,977,191 resulting to an under-expenditure of Kshs.95,295,906 or 41% of the budget.

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

2.0 Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board Templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Project Implementation Status

During the year, the Fund allocated Kshs.137,088,879 to various projects. Review of the project implementation status indicated that forty-six (46) projects totalling Kshs.50,350,000 were complete, forty-two (42) projects totalling Kshs.85,738,879 were ongoing while one (1) project costing Kshs.1,000,000 had not commenced. No reason was provided for the delay in implementation and completion of the projects.

In the circumstances, delay in the implementation of projects may result in the escalation of costs and deny the residents of Tigania East Constituency the benefits that would have accrued from their completion.

2.0 Emergency Reserve Expenditure

The statement of receipts and payments and Note 7 to the financial statements reflect other grants and transfers of Kshs.53,628,328 which includes an emergency projects amount of Kshs.8,600,000. Included in the emergency projects amount is an expenditure of Kshs.8,100,000 paid to two contractors for road improvement. However, the improvement works expenditure was charged to emergency reserves account contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 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 until the next financial year without harming the public interest of the constituents.

Further, the constituency road sector projects are devolved functions and therefore the expenditure of Kshs.8,100,000 contravened Section 24(a) of the National Government Constituencies Development Fund Act, 2015 which states that a project under this Act shall only be in respect of works and services falling within the functions of the National Government under the Constitution.

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

3.0 Unserviceable Fixed Assets

Annex 4 to the financial statements reflects historical cost of Kshs.19,447,540 in the summary of fixed assets. As previously reported, this cost includes unserviceable assets

of Kshs.4,000,940 comprising of motor vehicle Kshs.3,264,012, motor cycle Kshs.459,128 and furniture Kshs.277,800 which have not been earmarked for disposal contrary to Section 163(1) of the Public Procurement and Assets Disposal Act, 2015 which states that an accounting officer shall establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent or surplus stores, equipment or assets.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of a Disaster Management Recovery Plan

The Fund has not assessed the impact of an outage or disruption to the information communication technology system and thereby develop a business continuity or information technology disaster recovery plan. In case of a disaster, the Fund may not restore critical infrastructure services and system for continued operations. This is contrary to Section 68 (2)(c) of the Public Finance Management Act, 2012 which states that a public entity should ensure that all financial and accounting records that the entity keeps in any form including in electronic form are adequately protected and backed up. The Fund needs to collaborate with the Ministry of Information to develop, approve and implement disaster recovery plans for all key business systems.

In the circumstances, Management is not adequately prepared for any disaster that may adversely affect the activities of the Fund.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 Fund policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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


07 September, 2022

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


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	2021	2020	KShs
RECEIPTS			
Transfers from NGCDF Board	1	172,767,724	119,540,875
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		172,767,724	119,540,875
PAYMENTS			
Compensation of employees	4	3,790,874	1,651,572
Use of goods and services	5	7,553,083	9,740,090
Transfers to Other Government Units	6	73,709,000	53,542,027
Other grants and transfers	7	53,628,328	43,394,525
Acquisition of Assets	8	-	372,500
Other Payments	9	-	-
TOTAL PAYMENTS		138,681,285	108,700,714
SURPLUS/(DEFICIT)		34,086,439	10,840,161

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TIGANIA EAST Constituency financial statements were approved on 5th May 2022 and signed by:



 National Sub-County
 Accountant



 Chairman NG-CDF Committee

Fund Account Manager
 Name: Stephen Main

Name: Paul Ojoo
 ICPAK M/No: 6376


Name: STINA MUKIERA


TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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VIII. STATEMENT OF ASSETS AND LIABILITIES

FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	55,057,027	21,020,588
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		55,057,027	21,020,588
Accounts Receivable			
Outstanding Imprests	11	50,000	-
TOTAL FINANCIAL ASSETS		55,107,027	21,020,588
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		55,107,027	21,020,588
REPRESENTED BY			
Fund balance b/fwd		21,020,588	10,180,427
Prior year adjustments	14	-	-
Surplus/Deficit for the year		34,086,439	10,840,161
NET FINANCIAL POSITION		55,107,027	21,020,588

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TIGANIA EAST Constituency financial statements were approved on 5th May 2022 and signed by:


 Fund Account Manager
 Name: Stephen Mains


 National Sub-County
 Accountant
 Name: Kul O. Ojor
 ICPAK M/No: 6376



 Chairman NG-CDF Committee
 Name: DAVID MURIERA


TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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STATEMENT OF CASHFLOW

		2020-2021	2019-2020
		K.Shs	K.Shs
Receipts from operating activities			
Transfers from NGCDF Board	1	172,767,724	119,540,875
Other Receipts	3	-	-
Total receipts		172,767,724	119,540,875
Payments for operating activities			
Compensation of Employees	4	3,790,874	1,651,572
Use of goods and services	5	7,553,083	9,740,090
Transfers to Other Government Units	6	73,709,000	53,542,027
Other grants and transfers	7	53,628,328	43,394,525
Other Payments	9	-	-
Total payments		138,681,285	108,328,214
Total Receipts Less Total Payments			
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	(50,000)	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
		(50,000)	-
Net cash flow from operating activities		34,036,439	11,212,661
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(372,500)
Net cash flows from Investing Activities		-	(372,500)
NET INCREASE IN CASH AND CASH EQUIVALENT		34,036,439	10,840,161
Cash and cash equivalent at BEGINNING of the year	10	21,020,588	10,180,427
Cash and cash equivalent at END of the year		55,057,027	21,020,588

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TIGANIA EAST Constituency financial statements were approved on 5th May 2022 and signed by:


 Fund Account Manager
 Name: Stephen Maitani


 National Sub-County
 Accountant
 Name: Paul O. Ojor
 ICPAK M/No: 6376


 Chairman NG-CDF Committee
 Name: DAVID MURIERA

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

IX. SUMMARY STATEMENT OF APPROPRIATION

Recurrent

	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
RECEIPTS	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	12,337,999	5,850,168	2,196,187	20,384,354	11,343,957	9,040,397	55.7%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	-
TOTALS RECEIPTS	12,337,999	5,850,168	2,196,187	20,384,354	11,343,957	9,040,397	55.7%
PAYMENTS							
Compensation of Employees	3,414,600	2,774,351		6,188,951	3,790,874	2,398,077	61.3%
Use of goods and services	8,923,399	3,075,817	2,196,187	14,195,403	7,553,083	6,642,320	53.2%
TOTALS	12,337,999	5,850,168	2,196,187	20,384,354	11,343,957	9,040,397	55.7%

*TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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DEVELOPMENT

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
RECEIPTS							
Transfers from NGCDF Board	124,750,880	15,170,420	73,671,537	213,592,837	127,337,328	86,255,509	59.6%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts							
TOTALS RECEIPTS	124,750,880	15,170,420	73,671,537	213,592,837	127,337,328	86,255,509	59.6%
PAYMENTS							
Transfers to Other Government Units	48,400,000		59,261,681	107,661,681	73,709,000	33,952,681	68.5%
Other grants and transfers	76,350,880	15,170,420	14,409,856	105,931,156	53,628,328	52,302,828	50.6%
TOTALS	124,750,880	15,170,420	73,671,537	213,592,837	127,337,328	86,255,509	59.6%

*TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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***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.*


TIGANIA EAST Constituency
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- i. *The adjustments between the original budget and the final budget were as a result of prior year funds received in the reporting year, opening cash book balance and reallocation of funds requests being processed at the NG-CDF Board..*
- ii. *Compensation of employees- There were plans to hire more staff during the year which were shelved yet were budgeted for. Some funds were held for payment of gratuities to staff on completion of their 3-year contracts two months after the end of the financial year.*
- iii. *Use of goods and services. 50% of the funds had not been released during the year.*
- iv. *Transfer to other government units. 50% of the funds had not been released during the year.*
- v. *Other grants and other transfers. Funds prioritised for bursary allocations could not be disbursed due to restrictions of meetings and closure of schools due to Covid-19 pandemic.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	95,295,906
Less undisbursed funds receivable from the Board as at 30 th June 2021	40,188,879
	55,107,027
Add Accounts payable	0
Less Accounts Receivable	50000
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	55,057,027

The NGCDF-TIGANIA EAST Constituency financial statements were approved on 5th May 2022 and signed by:


 Fund Account Manager
 Name: Stephen Mairis


 National Sub-County
 Accountant
 Name: Paul O. Dyo
 ICPAK M/No: 6376


 Chairman NG-CDF Committee
 Name: DAVID MURIERA

*TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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X. BUDGET EXECUTION BY SECTORS AND PROJECTS

[REDACTED]						
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,414,600	2,774,351		6,188,951	3,790,874	2,398,077
1.2 Committee allowances	1,800,000	1,416,563		3,216,563	1,479,000	1,737,563
1.3 Use of goods and services	3,010,733		1,733,910	4,744,643	4,390,000	354,643
	8,225,333	4,190,914	1,733,910	14,150,157	9,659,874	4,490,283
2.0 Monitoring and evaluation						
2.1 Capacity building	1,400,000	1,350,000		2,750,000	1,028,400	1,721,600
2.2 Committee allowances	1,771,226	181,754	462,277	2,415,257		2,415,257
2.3 Use of goods and services	941,440	127,500		1,068,940	655,683	413,257
	4,112,666	1,659,254	462,277	6,234,197	1,684,083	4,550,114
3.0 Emergency						
3.1 Primary Schools	7,192,207		1,717,234	8,909,441		
Dhabiti sacco					1,000,000.00	
Mukalamatu primary school					250,000.00	
Rwongo Rwa Buuri Assistant Chiefs Office					250,000.00	
Dhabiti sacco					7,100,000.00	
TOTAL	7,192,207		1,717,234	8,909,441	8,600,000	309,441
3.1 Primary Schools						

*TIGANIA EAST Constituency
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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ntulili Primary School	1,000,000			1,000,000		1,000,000
Angili Primary School	500,000			500,000		500,000
Kaongo Primary School	1,000,000			1,000,000		1,000,000
Mbaranga Primary School	1,000,000			1,000,000		1,000,000
Kirima Primary School	1,000,000			1,000,000		1,000,000
Mutunduru Primary School	1,000,000			1,000,000		1,000,000
Mula Primary School	1,000,000			1,000,000		1,000,000
Kailune Primary School	1,000,000			1,000,000		1,000,000
Kabuline Primary School	1,000,000			1,000,000		1,000,000
Ruuju Primary School	1,000,000			1,000,000		1,000,000
Micimikuru Primary School	1,000,000			1,000,000		1,000,000
Thuuri Primary School	1,000,000			1,000,000		1,000,000
Kiarao Primary School	1,000,000			1,000,000		1,000,000
Mukorone Primary School	500,000			500,000		500,000
Mathiritine Primary School	500,000			500,000		500,000
Antuarimata Primary School	500,000			500,000		500,000
Ametno Primary School	500,000			500,000		500,000
Irindiro Primary School	2,000,000			2,000,000	2,000,000	-

*TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme / Sub-programme	Original Budget 2020/2021	Amendments		Final Budget 01/06/2021	Actual on comparable basis 06/06/2021	Budget utilization percentage
		Original Balance (C/B) KES	Revised Year Closing Balance KES			
Kalantina Primary School	1,000,000			1,000,000		1,000,000
Rarimbu Primary School	5,000,000			5,000,000	5,000,000	-
Kaliene primary school			1,000,000.00	1,000,000	1,000,000	-
Charuru primary school			1,000,000.00	1,000,000	1,000,000	-
Athwana primary school			450,000.00	450,000	450,000	-
Kkmuthangene primary school			400,000.00	400,000	400,000	-
Mula primary school			1,450,000.00	1,450,000	1,300,000	150,000
Kiremu primary school			150,000.00	150,000		150,000
Luuma primary school			1,000,000.00	1,000,000	1,000,000	-
Nduluma primary school			1,000,000.00	1,000,000	1,000,000	-
Mathiritine primary school			1,000,000.00	1,000,000	1,000,000	-
Ling'uri primary school			1,000,000.00	1,000,000	850,000	150,000
Ntirutu primary school			1,000,000.00	1,000,000	1,000,000	-
Mukalamatu primary school			1,000,000.00	1,000,000	850,000	150,000
Laibocha primary school			1,000,000.00	1,000,000	1,000,000	-
Kiithe primary school			150,000.00	150,000		150,000
Mitunguune primary school			1,000,000.00	1,000,000	850,000	150,000
Michiimikuru primary school			1,000,000.00	1,000,000		1,000,000

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
Kiguru primary school			1,000,000.00	1,000,000	1,000,000	-
Kiamikuu primary school			150,000.00	150,000		150,000
Akaiga primary school			1,000,000.00	1,000,000	1,000,000	-
Kiriene primary school			1,000,000.00	1,000,000	1,000,000	-
Mukorone primary school			1,000,000.00	1,000,000	1,000,000	-
Antuanthenge primary school			200,000.00	200,000	200,000	-
Antuarimata primary school			1,000,000.00	1,000,000	1,000,000	-
Murichia primary school			1,000,000.00	1,000,000	1,000,000	-
Lwanjilu primary school			1,000,000.00	1,000,000	1,000,000	-
Amugaa Adventist primary school			1,000,000.00	1,000,000	1,000,000	-
Giithuumoja primary school			2,000,000.00	2,000,000	1,850,000	150,000
Ngage primary school			411,681.00	411,681		411,681
Kirumone primary school			1,000,000.00	1,000,000	850,000	150,000
Thathi primary school			1,000,000.00	1,000,000	1,000,000	-
Kinoe primary school			1,000,000.00	1,000,000	1,350,000	(350,000)
Kamujine primary school			150,000.00	150,000		150,000
Nguthiru primary school			1,000,000.00	1,000,000	1,000,000	-
Mutunduru primary school						

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

Description of Programme	Original Budget 2020/21	Adjustments		Final Budget 2020/21	Actuals comparable 2020/21	Budget Utilization %
		Operating Balance (F/B) and MA	Previous Years Outstanding Disbursements			
			450,000.00	450,000	450,000	-
Kirimanchuma primary school			400,000.00	400,000	400,000	-
Ng'ombenchiru primary school			800,000.00	800,000	800,000	-
Ngutu primary school			2,000,000.00	2,000,000	2,000,000	-
Total	22,500,000.00	-	32,161,681.00	54,661,681.00	36,600,000.00	18,061,681.00
3.2 Secondary schools						
Charuru Day Secondary School	2,000,000			2,000,000	2,000,000	-
Giithu Day Secondary School	4,900,000			4,900,000		4,900,000
Ntirutu Day Secondary School	500,000			500,000		500,000
Karama Day Secondary School	1,000,000			1,000,000		1,000,000
Kiguchwa Day Secondary School	1,000,000			1,000,000		1,000,000
Ametho Secondary School	500,000			500,000		500,000
Kaliene Secondary School	1,500,000			1,500,000	1,500,000	-
Kamithaga Secondary School	1,000,000			1,000,000	850,000	150,000
Akaiga Boys Secondary School	1,500,000			1,500,000		1,500,000
Amugaa Secondary School	2,000,000			2,000,000		2,000,000
Ankamia Secondary School	2,000,000			2,000,000		2,000,000
Thuuria Day Secondary School	3,500,000			3,500,000	3,500,000	-

*TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization differences
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ncuui Day Secondary School	1,500,000			1,500,000		1,500,000
Rumanthi Secondary School	500,000			500,000	500,000	-
KK Mwethe Secondary School	1,000,000			1,000,000		1,000,000
Antuanduru secondary school			7,300,000	7,300,000	7,109,000	191,000
Lii secondary school			1,000,000	1,000,000	1,000,000	-
Lailuba secondary school			1,000,000	1,000,000	1,000,000	-
Mweromuthanga sec sch			1,000,000	1,000,000	1,000,000	-
Kailutha secondary school			1,000,000	1,000,000	1,500,000	(500,000)
Maburwa day secondary sch			1,000,000	1,000,000	1,000,000	-
Kinang'aru day secondary sch			1,000,000	1,000,000	1,000,000	-
Kisima mixed day secondary			1,000,000	1,000,000	1,000,000	-
Ntulili day secondary school			1,000,000	1,000,000	850,000	150,000
Mutewa secondary school			1,500,000	1,500,000	1,500,000	-
Mwerokieni day secondary school			1,000,000	1,000,000	1,000,000	-
Kaliene secondary school			1,000,000	1,000,000	1,000,000	-
Kiguchwa day secondary school			600,000	600,000	600,000	-
Kamithega secondary school			1,000,000	1,000,000	1,000,000	-
Ikana day secondary school						

*TIGANIA EAST Constituency
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Programme/Sub-programme	Original Budget 2020/2021	Additional resources (B) and revisions to the original budget	Final Budget 2020/2021	Actuals to date 2021/2021	Budget utilization difference
			2,500,000	2,500,000	-
Ankamia day secondary school			2,000,000	2,000,000	-
Marega day secondary school			400,000	400,000	-
Kalule secondary school			400,000	400,000	-
Kaathi secondary school			400,000	400,000	-
Karama secondary school			1,000,000	1,000,000	-
Total	24,400,000	-	27,100,000	35,609,000	15,891,000
3.3 Tertiary institutions					
Tigania East Technical Training Institute	1,500,000		1,500,000	1,500,000	
Total	1,500,000	-	1,500,000	1,500,000	-
3.4 Security projects					
Mikinduri Police Station	2,500,000		2,500,000		2,500,000
Muthara Police Station	2,500,000		2,500,000	2,500,000	-
Mula Police Station	2,500,000		2,500,000	2,500,000	-
Ngaene Police Post	500,000		500,000		500,000
Athing'a Assistant Chief Office	500,000		500,000		500,000
Iroone Assistant Chief Office	500,000		500,000		500,000
Kk Mwethe Assistant Chief Office	500,000		500,000		500,000
Akaiga Assistant Chiefs Office					

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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
	1,000,000			1,000,000		1,000,000
Irotia Assistant Chiefs Office	1,000,000			1,000,000		1,000,000
Thuti Assistant Chiefs Office	1,000,000			1,000,000		1,000,000
Lanyiru Assistant Chiefs Office	800,000			800,000		800,000
Antuanduru Assistant Chiefs Office	800,000			800,000		800,000
Abodii Assistant Chiefs Office	300,000			300,000		300,000
Athanja Assistant Chiefs Office	1,000,000			1,000,000	1,000,000	-
Tigania East Deputy County Commissioner's Compound	2,500,000			2,500,000	2,500,000	-
Kalothera Assistant Chiefs Office	300,000			300,000		300,000
Mbaranga /Urru chiefs office			500,000	500,000	500,000	-
Lucielubai Adminstration police line			1,000,000	1,000,000	1,000,000	-
Kiambeni Police Post			1,000,000	1,000,000		1,000,000
Total	18,200,000	-	2,500,000	20,700,000	10,000,000	10,700,000
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	20,158,673	15,170,420	2,892,622	38,221,715	22,427,828	15,793,887
4.2 Tertiary Institutions	26,100,000		7,300,000	33,400,000	12,600,500	20,799,500
4.3 Social Security				-		-
4.4 Special Needs				-		-

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Programme / Sub-programme	Original Budget 2016/2021	Adjustments		Final Budget 2016/2021	Actuals 2016/2021	Variance Actuals - Budget
		Creation of Balances (C/B) and AIA	Transfer of Balances (T/B) and AIA			
Total	46,258,673	15,170,420	10,192,622	71,621,715	35,028,328	36,593,387
5.0 Sports						
5.1	2,000,000			2,000,000		2,000,000
6.0 Environment						
6.1	2,700,000			2,700,000		2,700,000
Total	2,700,000	-	-	2,700,000	-	2,700,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**						
TOTAL	137,088,879	21,020,588	75,867,724	233,977,191	138,681,285	95,295,906

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

TIGANIA EAST Constituency
National Government Constituencies Development Fund (NGCDF)
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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-TIGANIA EAST Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B041225	1		4,000,000
AIE NO B047308	2		49,040,875
AIE NO B049188	3		6,000,000
AIE NO B047662	4		20,000,000
AIE NO B104162	5		14,000,000
AIE NO B104496	6		15,000,000
AIE NO B104135	7		2,500,000
AIE NO B096647	8		9,000,000
AIE NO B104576	1	3,000,000.00	
AIE NO B104801	2	64,367,724.10	
AIE NO B104845	3	5,000,000.00	
AIE NO B104888	4	3,500,000.00	
AIE NO B124710	5	9,000,000.00	
AIE NO B119702	6	15,000,000.00	
AIE NO B132055	7	8,000,000.00	
AIE NO B132349	8	6,000,000.00	
AIE NO B128295	9	6,900,000.00	
AIE NO B140749	10	15,000,000.00	
AIE NO B119663	11	12,000,000.00	
AIE NO B126018	12	15,000,000.00	
AIE NO B105105	13	10,000,000.00	
TOTAL		172,767,724	119,540,875

2. PROCEEDS FROM SALE OF ASSETS

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

TIGANIA EAST Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

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

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,445,474	1,651,572
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,345,400	-
Employer Contributions Compulsory national social security schemes	-	-
Total	3,790,874	1,651,572

TIGANIA EAST Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2021-2020	2020-2020
	KShs	KShs
Committee Expenses	-	-
Utilities, supplies and services	0	7,701,500
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	85,503	410,502
Rentals of produced assets	-	-
Training expenses	1,028,400	0
Hospitality supplies and services	-	-
Other committee expenses	4,811,480	0
Committee allowance	1,479,000	0
Insurance costs	-	150,715
Fuel Oil and lubricants	148,700	1,460,700
Office and general supplies and services	-	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	7,553,083	9,740,090

TIGANIA EAST Constituency
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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)	36,600,000	28,665,000
Transfers to secondary schools (see attached list)	35,609,000	24,877,027
Transfers to tertiary institutions (see attached list)	1,500,000	
TOTAL	73,709,000	53,542,027

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,427,828	-
Bursary – tertiary institutions (see attached list)	12,600,500	13,469,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security projects (see attached list)	10,000,000	11,600,000
Sports projects (see attached list)	-	4,928,171
Environment projects (see attached list)	-	2,847,354
Emergency projects (see attached list)	8,600,000	10,550,000
Total	53,628,328	43,394,525

TIGANIA EAST Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	372,500
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	372,500

9. OTHER PAYMENTS

	2020-2021	2019-2020
Strategic plan	-	-
ICT Hub	-	-
	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

<i>Name of Bank, Account No. & currency</i>	<i>2021</i>	<i>2020</i>
1120378126000.00	55,057,027	21,020,588
Total	55,057,027	21,020,588
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

11: OUTSTANDING IMPRESTS				
<i>Paul Thiga</i>	02/05/2021	50000	0	50000
<i>Total</i>				50000

[Include an annex if the list is longer than 1 page.]

12A. RETENTION

12A. RETENTION			
Retention as at 1 st July (A)		-	-
Retention held during the year (B)		-	-
Retention paid during the Year (C)		-	-
Closing Retention as at 30 th June D= A+B-C		-	-

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

12B. GRATUITY			
Gratuity as at 1 st July (A)		-	-
Gratuity held during the year (B)		-	-
Gratuity paid during the Year (C)		-	-
Closing Gratuity as at 30 th June D= A+B-C		-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2020-2021	2019-2020
	KShs	
Bank accounts	21,020,588	10,180,427.00
Cash in hand	-	-
Imprest	-	-
Total	21,020,588	10,180,427

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f	Adjustments	Adjusted
	per Audited Financial Statements		Balance b/f
	KShs	KShs	KShs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020-2021	2019-2020
	KShs	
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-

TIGANIA EAST Constituency
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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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	928,450
Others (<i>specify</i>)	-	-
	-	928,450

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	2,398,077	2,774,351
Use of goods and services	6,642,320	5,272,004
Amounts due to other Government entities (see attached list)	33,952,681	59,761,681
Amounts due to other grants and other transfers (see attached list)	52,302,828	29,080,276
Acquisition of assets		
Others (<i>specify</i>)	0	
Funds pending approval		
	95,295,906	96,888,312

TIGANIA EAST Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

ACCOUNT NAME	BANK	ACCOUNT NO	Bank Balance202 02021	Bank Balance220192020
Abodii ass chief office	DHABITI	526-11529	0	12,146.00
Akaiga pry sch	DHABITI	502-02182	0	-
Akaiga sec	DHABITI	502-07350		316,684.00
Akaiga wp	DHABITI	502-07939	0	-
Akairu pry sch	DHABITI	513-00332	0	3,747.00
Amugaa ap camp	DHABITI	502-06394	-	1,442.00
Ametho boarding pry	DHABITI	502-09402	-	-
Ametho pry sch	DHABITI	502-07713	-	500.00
Ametho sec	DHABITI	502-06221	0	19,988.00
Ametho wp	DHABITI	502-06455	-	1,399,318.00
Amugaa day sec	DHABITI	502-06397	0	-
Amugaa hc	DHABITI	501-12198	-	514.00
Mck Bidli pry	DHABITI	502-07964	-	500.00
Amugaa wp	DHABITI	502-06399	-	500.00
Ankamia ap line	DHABITI	502-09411	-	1,248,200.00
Ankamia day sec	DHABITI	504-00180	0	619.00
Ankamia dispensary	DHABITI	502-03120	-	1,276,695.00
Ankamia pry sch	DHABITI	504-00096	-	57,304.00
Ankamia wp	DHABITI	515-15925	-	-
Antuarimata pry	DHABITI	515-01695	0	-
Antuathenge wp	DHABITI	502-02870	0.00	-
Antuathenge pry sch	DHABITI	502-08221	0	9,008.00
Athwana chief's camp	DHABITI	502-08161		16,110.00
Athwana poly	DHABITI	502-07705	-	1,398,818.00
Athwana pry sch	DHABITI	511-00485	0.00	79,835.00
Athwana Dispensary	DHABITI	502-09415	-	593.00
Athwana wp	DHABITI	502-05873	0	
Bidii pry sch	DHABITI	502-07964	-	47.00
Eapcamwenjela pry	DHABITI	502-11764	-	-
Gacibine pp	DHABITI	502-06180	-	168.00
Gacibine pry school	DHABITI	504-00107	-	-
Giithu day sec	DHABITI	502-08272		255.00
Giithu dispensary	DHABITI	502-07711	-	687,390.00
Giithu ap line	DHABITI	502-10444	-	855,921.00
Gikoone wp	DHABITI	502-08009	-	1,297,144.00
Gikurune chief office	DHABITI	502-11530	-	399,300.00
Igarii helth centre	DHABITI	502-06416	-	34,188.00

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Igarii hc	DHABITI	502-06416	-	-
Igarii wp	DHABITI	502-06389	-	-
Igurune wp	DHABITI	502-06367	-	-
Ikana compasion	DHABITI	502-07930	-	-
Ntirutu Primary School	Coop bank	515-15925	148,828.00	-
Laibocha Primary School	DHABITI	515-01695	nil	-
Kaliene Primary School	DHABITI	502-02870	nil	-
Akaiga Primarey School	DHABITI	502-08221	nil	-
Antuathenge Primary School	DHABITI	502-08161	nil	-
Antuarimata Primary School	DHABITI	502-07705	nil	-
Thathi Primary School	DHABITI	511-00485	318.00	-
Kinoe Primary School	DHABITI	502-09415	nil	-
Kirimanchuma Primary School	DHABITI	502-05873	1,355.00	-
Languru primary school	DHABITI	515-15925	nil	-
Nduluma Priomary School	DHABITI	515-01695	538.00	-
Athwana Primary School	DHABITI	502-02870	1,274.45	-
Kaliene primary school	DHABITI	502-08221	nil	-
Charuru primary school	DHABITI	502-08161	500.00	-
mula primary school	DHABITI	502-07705	718.00	-
luuma primary school	DHABITI	511-00485	500.00	-
mathiritime primary school	DHABITI	502-09415	500.00	-
mukaramatu primary school	DHABITI	502-05873	nil	-
kiguru primary school	DHABITI	515-15925	33,168.00	-
kariene primary school	DHABITI	515-01695	nil	-
mukorone primary school	DHABITI	502-02870	846,950.00	-
murichia primary school	DHABITI	502-08221	804.00	-
Iwanjilu primary school	DHABITI	502-08161	nil	-
amugaa adventist primary school	DHABITI	502-07705	416.00	-
githu primary school	DHABITI	511-00485	nil	-
nguthuru primary school	DHABITI	502-09415	508.00	-

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mutunduru primary school	DHABITI	502-05873	1,685.54	-
ngombenchiru primary school	DHABITI	515-15925	3,974.65	-
ngutu primary school	DHABITI	515-01695	1,655.93	-
Mitunguune primary school	DHABITI	502-02870	628.00	-
kk muthangane primary school	DHABITI	502-08221	9,401.21	-
Rarimbu Primary School	DHABITI	502-08161	1,517.91	-
Irindiro Primary School	DHABITI	502-07705	5,697.91	-
Kaliene Primary School	DHABITI	511-00485	nil	-
Charuru Primary School	DHABITI	502-09415	500.00	-
Ngutu Primary School	DHABITI	502-05873	1,655.93	-
Luuma primary	DHABITI	515-15925	500.00	-
Nduluma Primary	DHABITI	515-01695	538.00	-
Kiguru primary	DHABITI	502-02870	33,168.00	-
mathiritime primary	DHABITI	502-08221	nil	-
Nturitu primary	DHABITI	502-08161	nil	-
laibocha primary	DHABITI	502-07705	nil	-
akaiga primary	DHABITI	511-00485	nil	-
kariene primary	DHABITI	502-09415	nil	-
Mukorone primary school	DHABITI	502-05873	nil	-
antuarimata primary school	DHABITI	515-15925	nil	-
murichia primairy school	DHABITI	515-01695	804.00	-
Iwanjilu primary school	DHABITI	502-02870	nil	-
amugaa adventist	DHABITI	502-08221	416.00	-
githu umoja primary	DHABITI	502-08161	nil	-
thathi primary	DHABITI	502-07705	318.00	-
nguthiru primary	DHABITI	511-00485	508.00	-
Kisima Mixed day secondary school	DHABITI	502-09415	nil	-
Kaliene Secondary School	DHABITI	502-05873	nil	-
Kamithega secondary School	DHABITI	515-15925	nil	-
Ikana Day Secondary School	DHABITI	515-01695	3,300.00	-
Ankamia Day Secondary School	DHABITI	502-02870	15,156.83	-
Lii secondary school	DHABITI	502-08221	nil	-

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Lailuba secondary school	DHABITI	502-08161	1,088.00	-
mweromuthanga secondary	DHABITI	502-07705	500.00	-
kailutha day secondary	DHABITI	511-00485	45,406.00	-
maburwa day	DHABITI	502-09415	1,258.00	-
mutewa secondary	DHABITI	502-05873	nil	-
mwerokieni day	DHABITI	515-15925	38,758.65	-
kiguchwa day	DHABITI	515-01695	nil	-
marega day	DHABITI	502-02870	nil	-
kalule secondary	DHABITI	502-08221	nil	-
kaathi secondary	DHABITI	502-08161	nil	-
karama secondary school	DHABITI	502-07705	1,314.00	-
Antuanduru secondary school	DHABITI	511-00485	1,270.48	-
Kinangane day secondary	DHABITI	502-09415	187,448.00	-
Ntulili day secondary school	DHABITI	502-05873	1,118.00	-
Kamithega Day secondary	DHABITI	515-15925	nil	-
Kaliene Secondary School	DHABITI	515-01695	nil	-
Charuru Day School	DHABITI	502-02870	1,926,275.00	-
'Thuuria Day Secondary	DHABITI	502-08221	2,499.09	-
Rumanthi Secondary School	DHABITI	502-08161	500,000.00	-
Lii secondary	DHABITI	502-07705	528.00	-
Lailuba secondary	DHABITI	511-00485	1,088.00	-
mweromuthama secondary	DHABITI	502-09415	500.00	-
maburwa secondary	DHABITI	502-05873	nil	-
kisima mixed day secondary	DHABITI	515-15925	nil	-
mwerokieni secondary	DHABITI	515-01695	nil	-
kamithega secondary	DHABITI	502-02870	nil	-
karama secondary	DHABITI	502-08221	nil	-
Mbaranga uru chiefs office	DHABITI	502-08161	40,905.43	-
Lucielubai admin police line	DHABITI	502-07705	1,171,754.00	-
Mula Police station	DHABITI	511-00485	300.00	-

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DCC Compound	DHABITI	502-09415	nil	--
Muthara Police station	DHABITI	502-05873	2,426,275.00	
Athanja Assistant chiefs office	DHABITI	515-15925	nil	-
Tigania East Technical Training Institute	DHABITI	515-01695	1,499,275.00	-
			8,965,364.01	9,116,934

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		2,398,077.00	2,774,351	
Use of goods & services		6,642,320.14	3,538,094	
Amounts due to other Government entities				
Secondary school		15,891,000	32,161,681	
Primary School		18,061,681	27,100,000	
			0	
Sub-Total		33,952,681	59,261,681	
Amounts due to other grants and other transfers				
Bursaries – Secondary school		15,793,887	18,063,042	
Bursary - Tertiaries		20,799,500	7,300,00	
Emergency		309,441	1,717,234	
Environment		2,700,000	00	
Sports		2,000,000	00	
Security		10,700,000	27,100,000	
Sub-Total		52,302,828	46,887,576	
Acquisition of assets				
<i>Others (specify)</i>				
Sub-Total				
Funds pending approval				
Grand Total		95,295,906.31	96,888,312.00	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				
Buildings and structures	6,000,000			6,807,049
Transport equipment	10,450,000			10,450,000
Office equipment, furniture and fittings	1,541,000			1,541,000
ICT Equipment, Software and Other ICT Assets	499,491			499,491
Other Machinery and Equipment	150,000			150,000
Heritage and cultural assets				
Intangible assets				
Total	18,640,491			19,447,540

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

ACCOUNT NAME	BANK	ACCOUNT NO	Bank Balance202 02021	Bank Balance220192020
Abodii ass chief office	DHABITI	526-11529	0	12,146.00
Akaiga pry sch	DHABITI	502-02182	0	-
Akaiga sec	DHABITI	502-07350	-	316,684.00
Akaiga wp	DHABITI	502-07939	0	-
Akairu pry sch	DHABITI	513-00332	0	3,747.00
Amugaa ap camp	DHABITI	502-06394	-	1,442.00
Ametho boarding pry	DHABITI	502-09402	-	-
Ametho pry sch	DHABITI	502-07713	-	500.00
Ametho sec	DHABITI	502-06221	0	19,988.00
Ametho wp	DHABITI	502-06455	-	1,399,318.00
Amugaa day sec	DHABITI	502-06397	0	-
Amugaa hc	DHABITI	501-12198	-	514.00
Mck Bidli pry	DHABITI	502-07964	-	500.00
Amugaa wp	DHABITI	502-06399	-	500.00
Ankamia ap line	DHABITI	502-09411	-	1,248,200.00
Ankamia day sec	DHABITI	504-00180	0	619.00
Ankamia dispensary	DHABITI	502-03120	-	1,276,695.00
Ankamia pry sch	DHABITI	504-00096	-	57,304.00
Ankamia wp	DHABITI	515-15925	-	-
Antuarimata pry	DHABITI	515-01695	0	-
Antuathege wp	DHABITI	502-02870	0.00	-
Antuathenge pry sch	DHABITI	502-08221	0	9,008.00
Athwana chief's camp	DHABITI	502-08161	-	16,110.00
Athwana poly	DHABITI	502-07705	-	1,398,818.00
Athwana pry sch	DHABITI	511-00485	0.00	79,835.00
Athwana Dispensary	DHABITI	502-09415	-	593.00
Athwana wp	DHABITI	502-05873	0	-
Bidii pry sch	DHABITI	502-07964	-	47.00
Eapcamwenjela pry	DHABITI	502-11764	-	-
Gacibine pp	DHABITI	502-06180	-	168.00
Gacibine pry school	DHABITI	504-00107	-	-
Giithu day sec	DHABITI	502-08272	-	255.00

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Giithu dispensary	DHABITI	502-07711	-	687,390.00
Giithu ap line	DHABITI	502-10444	-	855,921.00
Gikoone wp	DHABITI	502-08009	-	1,297,144.00
Gikurune chief office	DHABITI	502-11530	-	399,300.00
Igarii helth centre	DHABITI	502-06416	-	34,188.00
Igarii hc	DHABITI	502-06416	-	-
Igarii wp	DHABITI	502-06389	-	-
Igurune wp	DHABITI	502-06367	-	-
Ikana compasion	DHABITI	502-07930	-	-
Ntirutu Primary School	Coop bank	515-15925	148,828.00	-
Laibocha Primary School	DHABITI	515-01695	nil	-
Kaliene Primary School	DHABITI	502-02870	nil	-
Akaiga Primarey School	DHABITI	502-08221	nil	-
Antuathenge Primary School	DHABITI	502-08161	nil	-
Antuarimata Primary School	DHABITI	502-07705	nil	-
Thatlu Primary School	DHABITI	511-00485	318.00	-
Kinoe Primary School	DHABITI	502-09415	nil	-
Kirimanchuma Primary School	DHABITI	502-05873	1,355.00	-
Languru primary school	DHABITI	515-15925	nil	-
Nduluma Priomary School	DHABITI	515-01695	538.00	-
Athwana Primary School	DHABITI	502-02870	1,274.45	-
Kaliene primary school	DHABITI	502-08221	nil	-
Charuru primary school	DHABITI	502-08161	500.00	-
mula primary school	DHABITI	502-07705	718.00	-
Iuuma primary school	DHABITI	511-00485	500.00	-
mathiritime primary school	DHABITI	502-09415	500.00	-
mukaramatu primary school	DHABITI	502-05873	nil	-
kiguru primary school	DHABITI	515-15925	33,168.00	-
kariene primary school	DHABITI	515-01695	nil	-

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mukorone primary school	DHABITI	502-02870	846,950.00	-
murichia primary school	DHABITI	502-08221	804.00	-
lwanjilu primary school	DHABITI	502-08161	nil	-
amugaa adventist primary school	DHABITI	502-07705	416.00	-
githu primary school	DHABITI	511-00485	nil	-
nguthuru primary school	DHABITI	502-09415	508.00	-
mutunduru primary school	DHABITI	502-05873	1,685.54	-
ngombenchiru primary school	DHABITI	515-15925	3,974.65	-
ngutu primary school	DHABITI	515-01695	1,655.93	-
Mitunguune primary school	DHABITI	502-02870	628.00	-
kk muthangane primary school	DHABITI	502-08221	9,401.21	-
Rarimbu Primary School	DHABITI	502-08161	1,517.91	-
Irindiro Primary School	DHABITI	502-07705	5,697.91	-
Kaliene Primary School	DHABITI	511-00485	nil	-
Charuru Primary School	DHABITI	502-09415	500.00	-
Ngutu Primary School	DHABITI	502-05873	1,655.93	-
Luuma primary	DHABITI	515-15925	500.00	-
Nduluma Primary	DHABITI	515-01695	538.00	-
Kiguru primary	DHABITI	502-02870	33,168.00	-
mathiritime primary	DHABITI	502-08221	nil	-
Nturitu primary	DHABITI	502-08161	nil	-
laibocha primary	DHABITI	502-07705	nil	-
akaiga primary	DHABITI	511-00485	nil	-
kariene primary	DHABITI	502-09415	nil	-
Mukorone primary school	DHABITI	502-05873	nil	-
antuarimata primary school	DHABITI	515-15925	nil	-
murichia primary school	DHABITI	515-01695	804.00	-
lwanjilu primary school	DHABITI	502-02870	nil	-
amugaa adventist	DHABITI	502-08221	416.00	-

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githu umoja primary	DHABITI	502-08161	nil	-
thathi primary	DHABITI	502-07705	318.00	-
nguthiru primary	DHABITI	511-00485	508.00	-
Kisima Mixed day secondary school	DHABITI	502-09415	nil	-
Kaliene Secondary School	DHABITI	502-05873	nil	-
Kamithega secondary School	DHABITI	515-15925	nil	-
Ikana Day Secondary School	DHABITI	515-01695	3,300.00	-
Ankamia Day Secondary School	DHABITI	502-02870	15,156.83	-
Lii secondary school	DHABITI	502-08221	nil	-
Lailuba secondary school	DHABITI	502-08161	1,088.00	-
mweromuthanga secondary	DHABITI	502-07705	500.00	-
kailutha day secondary	DHABITI	511-00485	45,406.00	-
maburwa day	DHABITI	502-09415	1,258.00	-
mutewa secondary	DHABITI	502-05873	nil	-
mwerokieni day	DHABITI	515-15925	38,758.65	-
kiguchwa day	DHABITI	515-01695	nil	-
marega day	DHABITI	502-02870	nil	-
kalule secondary	DHABITI	502-08221	nil	-
kaathi secondary	DHABITI	502-08161	nil	-
karama secondary school	DHABITI	502-07705	1,314.00	-
Antuanduru secondary school	DHABITI	511-00485	1,270.48	-
Kinangane day secondary	DHABITI	502-09415	187,448.00	-
Ntulili day secondary school	DHABITI	502-05873	1,118.00	-
Kamithega Day secondary	DHABITI	515-15925	nil	-
Kaliene Secondary School	DHABITI	515-01695	nil	-
Charuru Day School	DHABITI	502-02870	1,926,275.00	-
Thuuria Day Secondary	DHABITI	502-08221	2,499.09	-
Rumanthi Secondary School	DHABITI	502-08161	500,000.00	-

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Lii secondary	DHABITI	502-07705	528.00	-
Lailuba secondary	DHABITI	511-00485	1,088.00	-
mweromuthama secondary	DHABITI	502-09415	500.00	-
maburwa secondary	DHABITI	502-05873	nil	-
kisima mixed day secondary	DHABITI	515-15925	nil	-
mwerokieni secondary	DHABITI	515-01695	nil	-
kamithega secondary	DHABITI	502-02870	nil	-
karama secondary	DHABITI	502-08221	nil	-
Mbaranga uru chiefs office	DHABITI	502-08161	40,905.43	-
Lucielubai admin police line	DHABITI	502-07705	1,171,754.00	-
Mula Police station	DHABITI	511-00485	300.00	-
DCC Compund	DHABITI	502-09415	nil	--
Muthara Police station	DHABITI	502-05873	2,426,275.00	-
Athanja Assistant chiefs office	DHABITI	515-15925	nil	-
Tigania East Technical Training Institute	DHABITI	515-01695	1,499,275.00	-
			8,965,364.01	9,116,934

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.0 Accuracy of the Financial Statements	5.1 Inaccuracies between comparative financial statement balances for 2018/2019 and the 2018/19 audited balances	Response The figure of ksh 1,000,000 was in respect of a public toilet constructed outside the NG-CDF office which was classified under security projects. Please find the corrected statements addressing the anomaly.	Not Resolved	Awaiting Certificate
5.4 Unutilized Funds	The Summary Statement of Appropriation: Recurrent and Development combined for the year ended 30 June 2020 reflects Kshs.68,221,302 in respect to original budget adjustments for the year being the unutilized funds in the previous year. However, the audited financial statements for the year 2018/2019 reflects unutilized funds total of Kshs10,180,427 resulting to unreconciled and unexplained variance of Kshs. 58,040,875 In the circumstances, the accuracy of the Kshs.68,221,302 in respect to adjustments cannot be confirmed.	Response The 58,040,875 were funds for prior years received in the reporting year. The ksh.10,180,427 reported as unspent balance were the actual unspent funds in the bank account as at the closure of the previous financial year. The error had been corrected by stating the correct figure of 68,221,302 which includes both figures i.e 10,180,427 (bank balance) and 58,040,875 (un-received funds from the board for prior	Not Resolved	Awaiting Certificate

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		years)		
5.5 Project Management Committee (PMC) Bank Balances	<p>The disclosure note 17.4 (Annex 5) to the financial statement reflects Kshs.9,116,934 in respect to project management committee (PMC) bank balances. However, the re-casted total of annex 5 is Kshs.9,114,914 resulting to unexplained variance of Kshs 2020. Further, the PMC bank reconciliation statements and certificates of bank balances as at 30 June 2020 were not produced for audit verifications.</p> <p>In addition PMC bank balances for Lucielubai Administration Police line of Kshs.1,500,000, Mwokaila Administration Police line of Kshs.1,000,000 and Ametho Day secondary school of Kshs.500,000 respectively totaling to Kshs.3,000,000 were not disclosed in Annex 5 and therefore understating the PMC balances by Kshs.3,000,000 as at 30 June 2020 are understated by Kshs.3,000,000</p> <p>In the circumstances, we could not ascertain the accuracy of Kshs.9,116,934 in respect to project management committee (PMC) bank balances as at 30 June 2020.</p>	<p>Management Comments. <i>Please find the re-casted figures in the financial statement and a schedule of confirmed bank balances which includes the fund balance for Ametho secondary school. The balance for Ametho day secondary school (ksh 499,400) was erroneously omitted from the schedule. The balances for Mwokaila and Lucielubai administration police lines were not included because, though the cheques had been written and paid out of the cashbook as at 30.6.2020, the same had not been presented to the bank until August 2020 hence the nil balance as at 30.6.2020.</i></p>	Not Resolved	Awaiting Certificate

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6.0 Cash and Cash Equivalent	<p>Note 10A to the financial statements reflects Kshs.21,020,588 in respect to cash book bank balance. However, a review of the bank reconciliation statement as at 30 June 2020 revealed payments in cash book and not yet recorded in bank statement (Unpresented cheques) totaling to Kshs.29,230,397 which includes stale cheques of Kshs.13,154 and they had not been reversed thereby understating the cash book balance by the same amount.</p> <p>Further, the bank reconciliation statement as at 30 June 2020 reflects receipts in cash book not yet recorded in bank statement of Kshs.7,000. However, the cheque no 6979 dated 6 December 2019 of Kshs.7,000 had not been banked thus overstating the cash book balance by the same amount.</p> <p>In addition, a schedule of Kshs.26,662,946 was provided to show when the unpresented cheques were subsequently cleared leaving a balance of Kshs.2,576,451 un-cleared as at the time of audit</p>	<p>Management Comments <i>The stale cheques of ksh 13,154 have since been replaced and paid out. The ksh 2,576,451 yet to be presented cheques as at the time of the audit were still valid and continued to be presented to the banks for payment. Most of the cheques were bursary cheques written in favour of students who had completed their studies or fees payments by the time the same was processed due to delays in release of funds and processing of the cheques. The challenges of closure of most of the learning institutions due to the corona virus pandemic also contributed to the slow movement of the funds during the year under review. The ksh 7,000 in the bank reconciliation statement (receipts in cashbook not yet recorded in the bank statement) was a correction of a casting error in relation to the stated cheque.</i></p>	Not Resolved	Awaiting Certificate

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	<p>inspection.</p> <p>In the circumstances, the accuracy of the cash and cash equivalents of Kshs.21,020,588 as at 30 June 2020 could not be ascertained.</p>			
	<p>Note 6 to the financial statements reflects Kshs.53,542,027 in respect to transfer to other Government entities which includes Kshs.28,665,000 in respect to transfers to primary schools which further includes Kshs.1,500,000 and Kshs.300,000 disbursed to Kalantina primary school for completion of an administration block and a classroom respectively. However, during the physical verification of the projects in December 2020 it was noted that Kshs.1,800,000 was spent to complete the administration block and no reallocation approval of activity from completion of a classroom at Kshs.300,000 to administration block was provided for audit review. In the circumstances, it was not possible to ascertain the propriety and</p>	<p>Recommendation The management should regularize the transaction and provide expenditure returns. <i>Kalantina primary school: a section of the yet to be completed administration block was and is still being used as a classroom to-date. The school faces serious classrooms shortage. The completion of the administration block/classroom provided a better learning environment for the young learners. half of the school classrooms are makeshift mabati structures in deplorable condition and a very unconducive learning environment. The NG-CDFC has allocated funds for a complete classroom in the 2020-2021 financial year and will continue doing so until all the makeshift structures are eliminated</i></p>	Not Resolved	Awaiting Certificate

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	value for money of the expenditure of Kshs.300,000 as at 30 June 2020 disbursed for a classroom completion.			
8.1 Unacknowledged Bursaries	Note 7 to the financial statement reflects Kshs.43,394,525 in respect to other grants and other payments which includes Kshs.13,469,000 in respect to bursary –tertiary institutions. However, review of the bursary records revealed that out of disbursed bursaries of Kshs. 13,469,000 only bursaries of Kshs.5,196,000 or 39% were acknowledged leaving a balance of Kshs.8,273,000 or 61% unacknowledged by the beneficiary tertiary institutions. (See Appendix 1 for the details)	<u>Response</u> <i>The year under review was extremely challenging due to closure of learning institutions for most of the second half of the financial year. This affected the receipt and timely acknowledgement of bursaries. Most of the bursary cheques were issued very close to the closure of the financial year hence the huge number of unrepresented cheques on 30.6.2020. The same had been presented such that out of the 26.6M unrepresented at the end of the year, only 2.6M was yet to be presented as at the time of the audit.(See unrepresented cheques analysis schedule)</i>	Not Resolved	Awaiting Certificate
9.1 Failure to Dispose Assets – Furniture and Fittings	Annex 4 to the financial statements reflects Kshs.18,640,491 in respect to historical cost of fixed assets as at 30 June 2020, which further, Includes	<u>Response</u> <i>A disposal committee has since been</i>	Not Resolved	Awaiting Certificate

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	Kshs.18,640,491 in respect to thirteen (13) items classified as not serviceable and valued at Kshs.277,800 as shown below;	<i>constituted for the disposal of the unserviceable furniture and fittings. New asset tags with the NGCDF board logo have also been received for tagging all assets.</i>		
9.2 Failure to Dispose Motor vehicle and Motor cycle	<p>Observations</p> <p>Annex 4 to the financial statements reflects Kshs.18,640,491 in respect to historical cost of fixed assets as at 30 June 2020 which includes Kshs.10,450,000 in respect to transport equipment.</p> <p>However, included in Kshs.10,450,000 is a grounded and unserviceable motor vehicle registration GK A633R Toyota Hilux D4D and motor cycle registration No. GK 206N Suzuki Dual Sport with historical cost of Kshs.3,264,012 and Kshs.459,128 respectively both totaling to Kshs.3,723,140. The motor vehicle was last on the road in December 2012 and no evidence was provided of any intention to repair or dispose it.</p>	<p><u>Response</u></p> <p><i>The NG-CDFC had written to the NG-CDF board seeking guidance on the procedure of disposal of the motor vehicles. The committee has been advised to constitute a disposal committee which has already been formed. We have also been advised to have the vehicles inspected and an inspection report issued by the District mechanical officer. The committee has already requested the officer to make arrangements to inspect and value the vehicles for a decision to be made to advertise the vehicles for disposal .</i></p>	Not Resolved	Awaiting Certificate

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	<p>Further, the two assets have been left in the open space exposing them to extreme weather conditions for over eight (8) years to suffer wastage through wear and tear without any justification.</p> <p>In addition, no satisfactory explanation was given as to why the vehicle and motor cycle have not been earmarked for disposal contrary to Section 163(1) of the Public Procurement Disposal Act, 2015 which states that an accounting officer shall establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.</p>			