

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

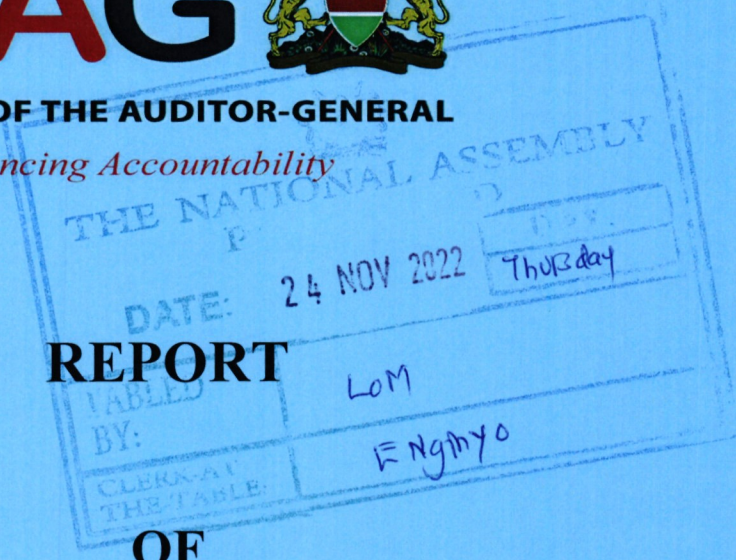
THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

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

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





NDHIWA 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)

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Ndhiwa 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	Janes Awiti Majengo
2.	Sub-County Accountant	Meshack Amayo
3.	Chairman NGCDFC	William Ogono
4.	Member NGCDFC	Pamela Olela

(d) Fiduciary Oversight Arrangements

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

P.O. Box 61- 40302
NG-CDFC Office Building

***Ndhiwa Constituency
National Government Constituencies Development Fund (NGCDF)
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Ndhiwa, Kenya

(f) Ndhiwa Constituency NGCDF Contacts

Telephone: (254) 710444849
E-mail: cdfndhiwa@ngcdf.go.ke
Website: www.go.ke

(g) Ndhiwa Constituency NGCDF Bankers

Equity Bank (Kenya) Limited
Homa Bay Branch
P.O. Box 75104-40300
Homa Bay, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

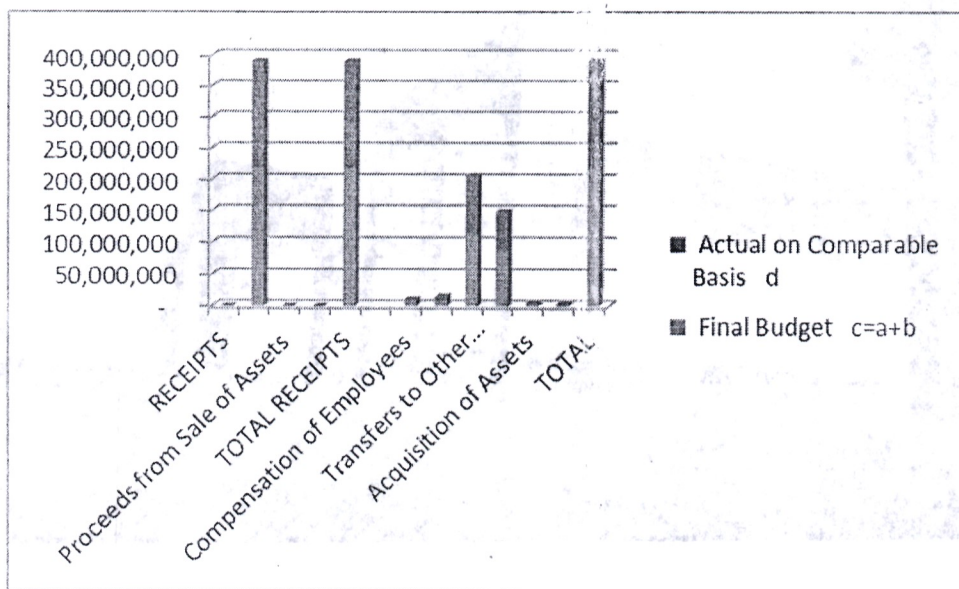
II. NG-CDF CHAIRMAN'S REPORT



DR. WILLIAM ODENY OGONO

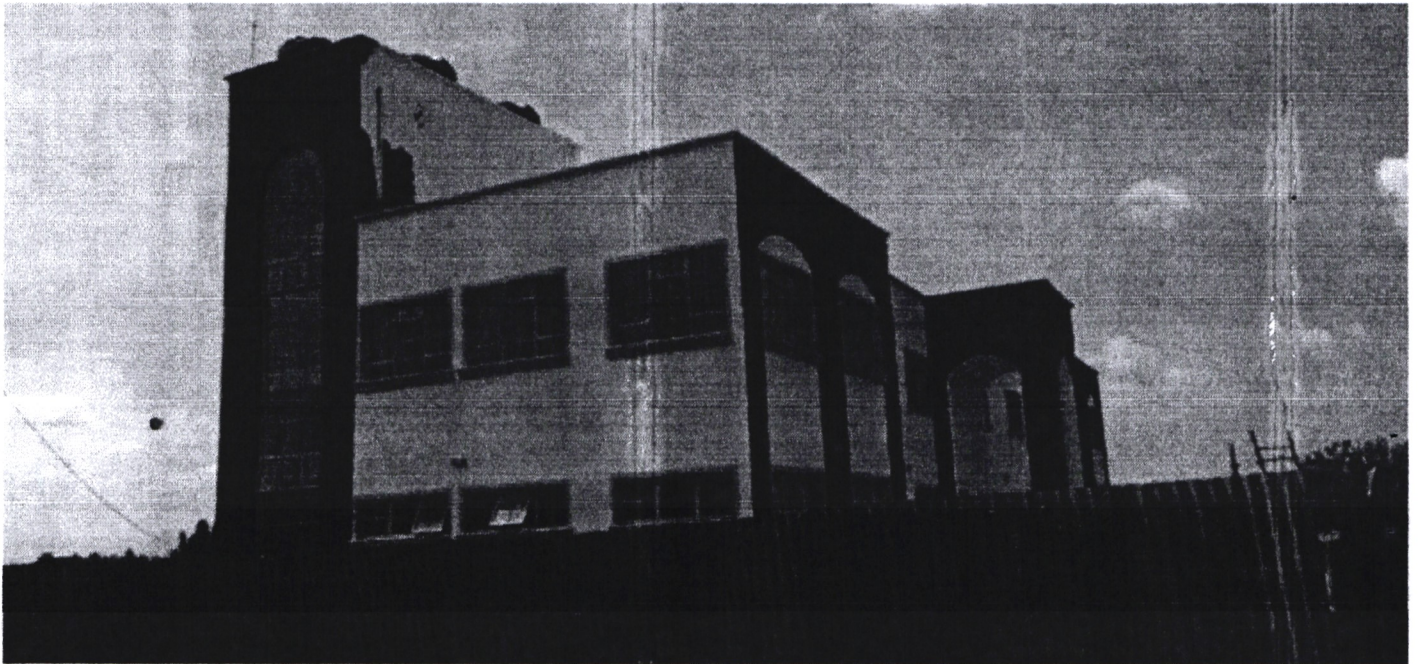
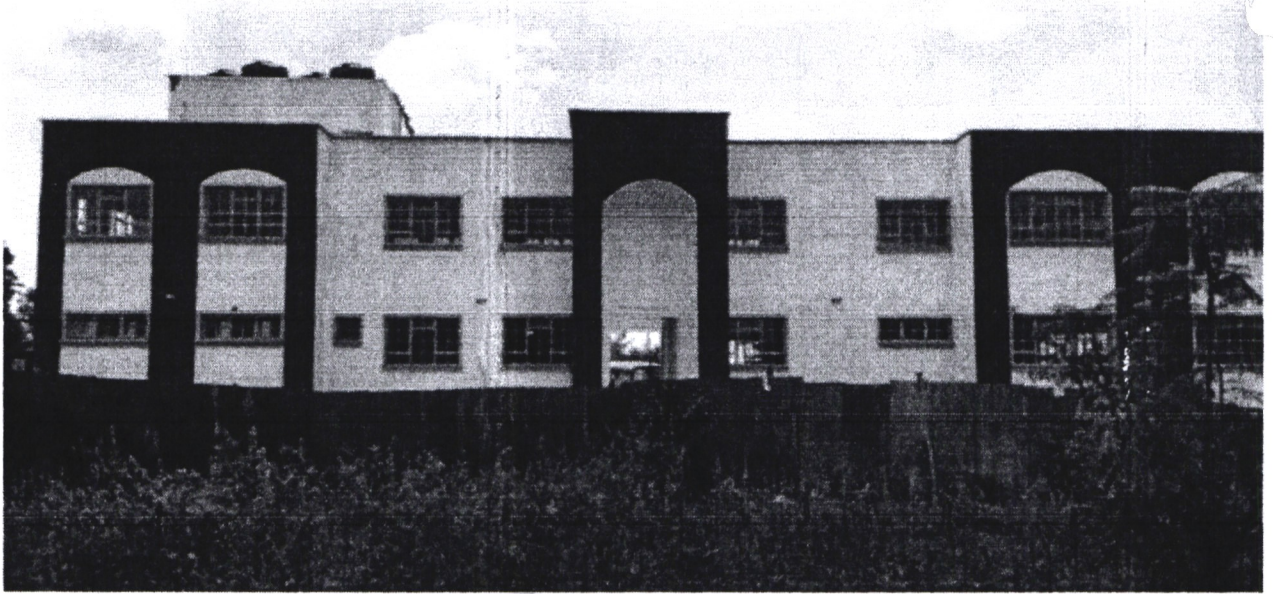
The NGCDFs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Ndhiwa.

a) Analysis of Budget Utilization

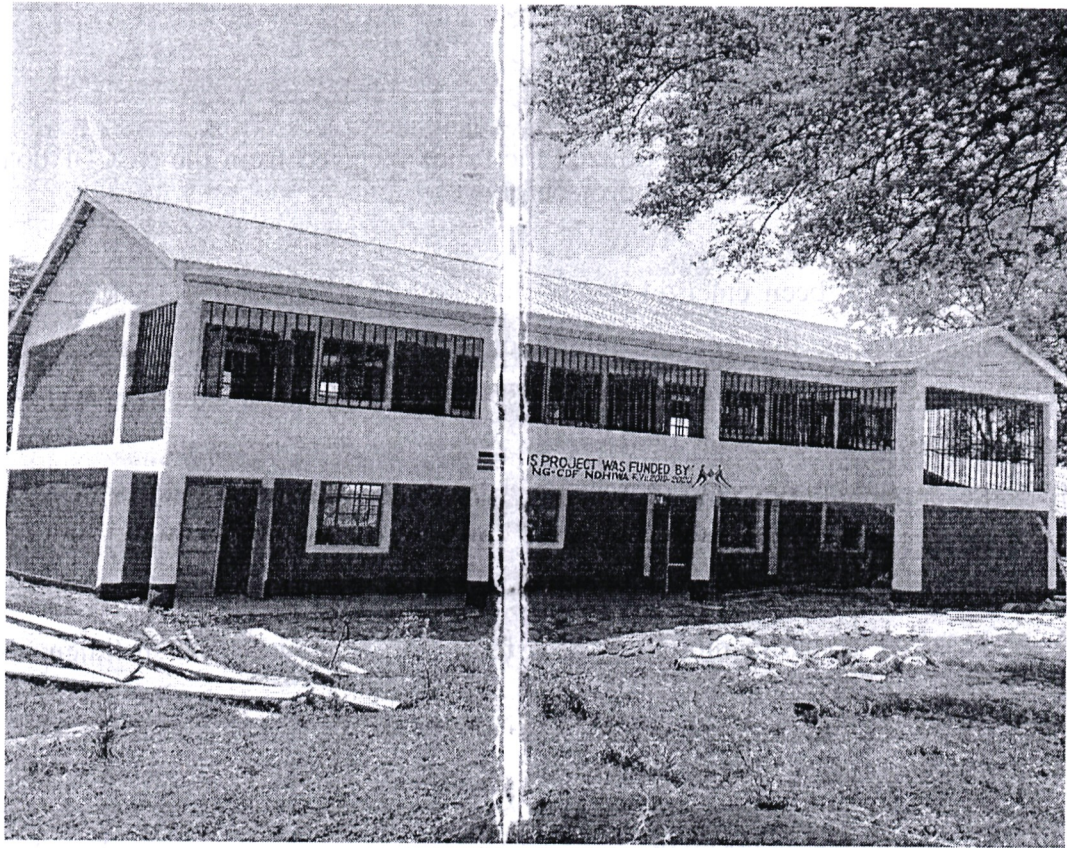


b) Key Achievements for Ndhiwa NG- CDF

The following are some projects that were done by NGCDF Ndhiwa in the financial year 2020/2021



KENYA MEDICAL TRAINING COLLEGE- NDHIWA CAMPUS



Storey Classrooms at Malila Primary School



Reservior Tank at Abura Primary School

The NGCDF Ndhiwa economically utilized the funds received from the NGCDF Board for the development as evidenced in the key projects above.

c) Implementation Challenges

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Projects. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals and reallocations.

d) Recommendation

The NGCDFCs wish that the issues of having the project on going for more than 2years be addressed. NGCDF board to minimise the rate of staff turnovers in Constituencies i.e. FAM transferred before implementing the projects.

There is need to give sufficient notice for NG-CDFCs activities i.e. submission of proposals and invitation to attend workshops by the NG-CDF board.

CHAIRMAN CDFC

Sign



CHAIRMAN
NDHIWA N.G.C.D.F
P.O. BOX 61 - 40302
NDHIWA

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- a) Education
- b) Water and Environment
- c) Security
- d) Sports
- e) Information Communication and Technology (ICT)

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	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rate.	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children.	Number of usable physical infrastructure built in primary, secondary and tertiary institutions. Number of bursary beneficiaries at all levels.	In the financial year 2020/2021 the, number of classrooms increased from 504 to 540. Number of laboratories increased from 10 to 13. Number of dormitories increased from 8 to 14. Number of administration blocks increased from 13 to 15. Number of higher learning

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				Institution increased from 0 to 2
Water and Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives.	Drill boreholes to promote access to clean water and safe water. Equip schools and public facilities with sanitation. Facilities. Provide tree seedlings to schools to improve the forest cover.	Number of boreholes drilled. Number of sanitation facilities built in primary and secondary. Number of trees planted	In the financial year 2020/2021 the, number of boreholes increased to 7. Number of Institution Increased from 50 to 80 with trees seedlings
Security	Equip, facilitate and enhance capacity of provincial administration and other security delivery.	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery.	Number of usable physical infrastructure built in locations, sub-locations and police stations.	In the financial year 2020/2021 the, number of chiefs' offices increased from 15 to 20. Number of assistant chiefs' offices increased from 3 to 5.
Sports	Empower and develop youth and special groups.	Reduced dependence and spur economic growth through sports	Number of youth groups benefiting from the sports program.	In the financial year 2020/2021 the, number of youth groups benefiting from the sports program increased from 102 to 111
Information Communication and technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery.	Equip ICT Hubs with computer and internet connectivity to enable them improves service delivery.	Number of usable ICT Hubs with computers and internet connectivity.	In the financial year 2020/2021 the, number of ICT centers at the chiefs' offices increased from 2 to 4

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

- a. **Education and Training:** Ndhiwa 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

Protection of the environment in which we live and operate is part of Ndhiwa NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Ndhiwa NG-CDF commits to:

1. Comply with all relevant environmental legislation, regulations and approved codes of practice
2. Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
3. Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
4. Managing and disposing of all wastage in a responsible manner;
5. Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
6. Regularly communicating our environmental performance to our employees and other significant stakeholders
7. Developing our management processes to ensure that environmental factors are considered during planning and implementation
8. Monitoring and continuously improving our environmental performance.
9. Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Ndhiwa NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> <input type="checkbox"/> Promote environmental awareness by sensitizing the Ndhiwa NG-CDFC, NG-CDFC staff and PMCs on good conservation practices <input type="checkbox"/> To encourage, through regular communication to Ndhiwa NG-CDFC, staff, and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> <input type="checkbox"/> To maximize use of available technologies to remove the need to use paper <input type="checkbox"/> To encourage our clients to engage with us using electronic means where Possible <input type="checkbox"/> To maximize on rain water harvesting <input type="checkbox"/> To make energy efficiency a key factor in the selection of any new energy devise being purchased <input type="checkbox"/> To invest in available energy saving technologies and devices within our existing Premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> <input type="checkbox"/> To promote use of voltage guards to control power surges <input type="checkbox"/> We have constructed culverts and gabions to prevent soil erosion <input type="checkbox"/> To encourage tree planting in the constituency to improve the forest cover. <input type="checkbox"/> To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none"> <input type="checkbox"/> To ensure that all paper waste is recycled <input type="checkbox"/> To ensure segregation of waste <input type="checkbox"/> To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. Employee welfare

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

Ndhiwa 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Ndhiwa 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-Ndhiwa 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 in charge of the NGCDF-Ndhiwa 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.

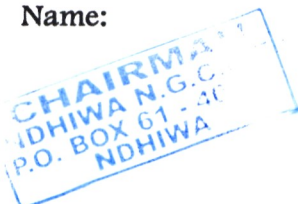
The Accounting Officer in charge of the NGCDF Ndhiwa Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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- Ndhiwa Constituency financial statements were approved and signed by the Accounting Officer on 30/6 2021.



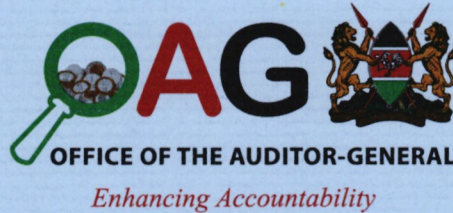
Chairman NGCDF Committee
Name:



Fund Account Manager
Name:

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NDHIWA 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 control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ndhiwa Constituency set out on pages 19 to 68, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article

229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Annual Report and Financial Statements

The annual report and financial statements as prepared and presented for audit had the following anomalies;

- i. The statement of receipts and payments reflects compensation of employees expenditure amount of Kshs.5,704,397 while Note 4 to the financial statements and the statement of cash flow reflects an amount of Kshs.5,550,085 resulting to an unexplained and unreconciled variance of Kshs.154,312.
- ii. The statement of receipts and payments reflects use of goods and services expenditure amount of Kshs.7,358,872 while Note 5 to the financial statements, the statement of appropriation and statement of cash flow reflects an amount of Kshs.7,513,184 resulting to an unexplained and unreconciled variance of Kshs.154,312.
- iii. The statement of receipts and payments reflects other grants and transfers expenditure amount of Kshs.75,387,299 while Note 7 to the financial statements reflects an amount of Kshs.74,342,299 resulting to an unexplained and unreconciled variance of Kshs.1,045,000. In addition, the statement of appropriation and statement of cash flow reflects actual amount of Kshs.61,582,299 resulting into an explained variance of Kshs.13,805,000.
- iv. The statement of receipts and payments reflects transfers to other government entities expenditure amount of Kshs.78,934,894 while the statement of appropriation and statement of cash flow reflects an actual amount of Kshs.91,694,894 resulting to an unexplained and unreconciled variance of Kshs.13,000,000.
- v. The statement of receipts and payments reflects other payments expenditure amount of Kshs.1,200,000 while the statement of appropriation and statement of cash flow reflects actual amount of Kshs.2,245,000 resulting to an unexplained and unreconciled variance of Kshs.1,045,000.
- vi. The statement of receipts and payments reflects acquisition of assets amount of Kshs.2,760,000 while the summary of fixed asset register as disclosed in Annexure 4 to the financial statements reflects additions during the year of Kshs.2,885,000 resulting to an unexplained and unreconciled variance of Kshs.125,000.

In the circumstances, the accuracy and completeness of the above balances included in these annual report and financial statements could not be confirmed.

2. Inaccurate and unsupported Compensation of Employees

The statement of receipts and payments reflects compensation of employees amount of Kshs.5,704,397 as disclosed in Note 4 to the financial statements. However, review of expenditure records revealed that the amount includes travelling and subsistence allowances, fuel, repairs and maintenance expenses totalling to Kshs.111,500. In addition, payments for salary in the month of December, 2020 of Kshs.405,870 was erroneously posted in the ledger as Kshs.483,870 resulting to an overstatement of Kshs.78,000. Further, the gratuity provision amount of Kshs.820,752 was not supported.

In the circumstances, the accuracy and completeness of the compensation of employees amount of Kshs.5,704,397 could not be confirmed.

3.0 Transfers to Other Government Entities

3.1 Misclassification in Transfers to Secondary Schools

The statement of receipts and payments reflects transfers to other government units amount of Kshs.78,934,894 which includes transfers to secondary schools amount of Kshs.61,734,894 as disclosed in Note 6 to the financial statements. Review of records revealed that an amount of Kshs.17,942,254 was spent on the construction of a storey tuition and administration block at Ndhiwa Kenya Medical Training College campus. However, the payments were charged as part of transfers to secondary schools.

In the circumstances, the accuracy and completeness of the transfers to secondary schools balance of Kshs.61,734,894 could not be confirmed.

3.2 Variances in Transfers to Primary Schools

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.78,934,894 which includes transfers to primary schools of Kshs.17,200,000 as disclosed in Note 6 to the financial statements. However, review of records revealed that the ledger reflected a balance Kshs.26,980,000 resulting to an unexplained and unreconciled variance of Kshs.9,780,000.

In the circumstances, the accuracy and completeness of the transfers to primary schools balance of Kshs.17,200,000 could not be confirmed.

4.0 Other Grants and Transfers

4.1 Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and transfers amount of Kshs.75,38,299 which includes bursary to tertiary institutions of Kshs.18,833,536 as disclosed in Note 7 to the financial statements.

However, review of records revealed that the ledger reflected an amount of Kshs.14,641,480 resulting to an unexplained and unreconciled variance of Kshs.4,192,056. In addition, expenditures totalling to Kshs.2,428,000 were wrongly posted to tertiary institutions while payment vouchers amounting to Kshs.4,029,000 were not posted to the general ledger.

In the circumstances, the accuracy and completeness of the bursary payments to tertiary institutions amount of Kshs.18,833,536 could not be confirmed.

4.2 Variances in Environment Projects Expenditure

Included in other grants and transfers is environment projects expense of Kshs.4,037,378 as disclosed in Note 7 to the financial statements. However, review of records revealed that the ledger reflected an amount of Kshs.4,546,637 resulting to an unexplained and unreconciled variance of Kshs.509,260.

In the circumstances, the accuracy and completeness of the environment projects amount of Kshs.4,037,378 could not be confirmed.

5.0 Unsupported Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets balance of Kshs.2,760,000 in respect of purchase of various ICT and IT assets as disclosed in Note 8 to the financial statements. However, review of records revealed that purchases of various assets and equipment worth Kshs. 2,085,000 were not supported.

In the circumstances, the propriety and accuracy of the acquisition of assets expenditure of Kshs.2,085,000 could not be ascertained.

6.0 Stale Cheques in Bank Reconciliation Statements.

The statement of financial position reflects cash and cash equivalents balance of Kshs.681,499 as disclosed in Note 10A to the financial statements

However, review of the bank reconciliation statements revealed that unrepresented cheques totalling Kshs.9,364,458 included stale cheques amounting to Kshs.1,110,793 which had not been reversed in the cash book. In addition, the bank reconciliation statement included payments in bank statement not yet recorded in cash book of Kshs.94,186 that dates back to 31 May 2018. This is contrary Section 90. (1) Public Finance Management Regulations 2015 which states that accounting officers shall ensure any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.681,499 could not be confirmed and Management was in breach of the law.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted receipts of Kshs.219,115,838 and actual receipts of Kshs.172,026,961 resulting to an under funding of Kshs.47,088,877 or 21% of the budget.

Further, the statement reflects expenditure budget and actual on comparable basis of Kshs.219,115,838 and Kshs.171,345,462 respectively resulting in an underperformance of Kshs.47,770,376 or 22% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on goods and services delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, 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 and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020

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 Transfers to Other Government Entities

1.1 Incomplete Construction of Classrooms at Abuoro Primary School

The statement of receipts and payments reflects transfers to other government units amount of Kshs.78,934,894 which includes transfers to primary schools of Kshs.17,200,000 as disclosed in Note 6 to the financial statements.

Review of expenditure records revealed that an amount of Kshs.1,300,000 was transferred to Abuoro primary school towards renovation of five (5) classrooms and the contractor paid Kshs.1,231,929 or 95% of the contract sum.

However, physical inspection on 7 April, 2022 revealed poor workmanship with chipped and cracked floors, cracked walls and two (2) class rooms with no doors as specified in the bills of quantities.

In the circumstances, the value for money on Kshs.1,231,929 spent on the project could not be confirmed.

1.2 Unsupported Construction of Classrooms at Malela Primary School

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.78,934,894 which includes transfers to primary schools of Kshs.17,200,000 as disclosed in Note 6 to the financial statements. Review of expenditure records revealed that an amount of Kshs.3,600,000 was disbursed towards completion of two (2) storey classrooms block at Malela primary school at a contract sum of Kshs.7,850,000.

However, the contract was terminated on 8 June, 2020 as a result of the contractor abandoning the site without notice after being paid Kshs.1,488,650 on 26 May, 2020. Management proceeded to engage a second local contractor to complete the remaining works and paid a total of Kshs.6,152,939. Physical inspection on 7 April, 2022 revealed that the works were not done in accordance with the contract terms and conditions.

In addition, Management did not provide the following documents for audit;

- i. Letter of termination of the first contractor and the valuation report of works done at the time of termination to support the payment made.
- ii. Tender advertisement, tender committee evaluation report and terms of contract for the re-awarded tender.
- iii. Valuation and inspection report by public works to support the payments for the works done by second contractor.

In the circumstances, the value for money and regularity of the expenditure of Kshs.7,641,589 could not be confirmed.

1.3 Stalled Construction of Classrooms at Mariwa Primary School

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.78,934,894 which includes transfers to primary schools of Kshs.17,200,000 as disclosed in Note 6 to the financial statements. Review of the project implementation status report revealed that the Fund disbursed Kshs.300,000 for roofing of three (3) classrooms at Mariwa Primary School in the financial year 2014/2015. However, physical inspection revealed that the project was incomplete and stalled.

In the circumstances, the value for money on the amount of Kshs.300,000 spent on the project could not be confirmed.

1.4 Unsupported Purchase of a School Bus at Oridi Girls Secondary School

The statement of receipts and payments reflects transfers to other government entities expenditure amount of Kshs.78,934,894 which includes transfers to secondary schools of Kshs.61,734,894 as disclosed in Note 6 to the financial statements. This

amount further includes an amount of Kshs.7,500,000 spent for purchase of a 52-seater school bus for Oridi Girls Secondary School.

However, there was no inspection and acceptance committee report provided for audit contrary to Section 48 (3)(b) of the Public Procurement and Assets Disposal Act, 2015 which states that the inspection and acceptance committee shall immediately after the delivery of the goods, works or services inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract. In addition, the expenditure was not supported with any contract document.

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

1.5 Unsupported Purchase of Lockers and Chairs for Secondary Schools

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.78,934,894 which includes transfers to secondary schools of Kshs.61,734,894 as disclosed in Note 6 to the financial statements.

This balance further includes an amount of Kshs.18,208,059 paid to a local supplier to supply 50 lockers and chairs in thirty two (32) secondary schools. However, it was noted that the requisition letters from the benefitting schools, and inspection and acceptance committee reports were not provided for audit.

In addition, the National Constituency Development Fund Board only approved Kshs.6,250,000 but the Constituency spent Kshs.18,208,059 resulting to an unauthorised expenditure of Kshs.11,958,059.

In the circumstances, the regularity and value for money on the expenditure of Kshs.18,208,059 could not be ascertained.

1.6 Unsupported expenditure on Construction at Ndhiwa KMTCC Campus

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.78,934,894 which includes transfers to secondary schools of Kshs.61,734,894 as disclosed in Note 6 to the financial statements.

Review of expenditure records revealed that an amount of Kshs.17,942,254 was paid to a local contractor towards the proposed construction of a storey tuition and administration block for Ndhiwa Kenya Medical Training College Campus.

However, the project proposals, approved drawings and structural designs by relevant authorities were not provided for audit. In addition, no evidence was provided to proof that the department of public works was involved contrary to Regulation 15(1a) of the National Government Constituencies Development Regulations, 2016 which requires the Project Management Committee for each project in a constituency to implement projects in consultation with the relevant departments of government.

In the circumstances, the value for money and regularity of Kshs.17,942,254 spent on the project could not be confirmed.

2.0 Other Grants and Transfers

2.1 Failure to Involve Technical Department on Environmental Projects

The statement of receipts and payments reflects other grants and transfers amount of Kshs.75,387,299 which includes environment projects of Kshs.4,037,378 as disclosed

in Note 7 to the financial statements. Review of expenditure records revealed that an amount of Kshs.800,000 was paid to a local supplier for the supply and delivery of tree seedlings to various schools. However, physical inspection on 7 April, 2022 in sampled schools revealed that only approximately thirty-five (35) trees out of the two hundred (200) trees delivered survived or 17% of the total supplied seedlings. In addition, the inspection and acceptance certificate for the delivered seedlings was not provided for audit. Further, there was no evidence provided to support that the county department in charge of the environment was involved to provide technical advice contrary to Section 36(1) of the National Government Constituency Development Act, 2015.

In the circumstances, value for money of Kshs.800,000 spent on the project could not be confirmed.

2.2 Lack of a Properly Constituted Bursary Subcommittees

The statement of receipts and payments reflects other grants and transfers amount of Kshs.75,387,299 which includes bursary payments of Kshs.51,191,467 to secondary, tertiary and special schools as disclosed in Note 7 to the financial statements. However, no evidence was provided to confirm that the subcommittee as constituted co-opted two members, one whom must be the area education officer or representative of the of Ministry of Education contrary to the provisions of the Constituency Development Fund Board circular reference VOL1/111, dated 13 September, 2010 which requires formation of a subcommittee of Constituency Development Fund to manage the bursary scheme including two co-opted members one of whom must be an education officer or an officer seconded from the Ministry of Education.

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

2.3 Unsupported Emergency Projects Expenditure

The statement of receipts and payments reflects other grants and transfers amount of Kshs.75,387,299 which include emergency projects of Kshs.7,192,207 as disclosed in Note 7 of the financial statement. However, the expenditure was not supported with relevant procurement documents. In addition, no evidence was provided from the constituency committee to categorize the expenses as emergency as required by Section 8(3) of the National Government Constituency Development Fund Act, 2015 which provides 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.

In the circumstances, regularity and propriety of the expenditure of Kshs.7,192,207 could not be confirmed

3.0 Unsupported Expenditure on ICT Hubs

The statement of receipts and payments reflects other payments amount of Kshs.1,200,000 as disclosed in Note 9 to the financial statements. Review of the records established that the funds were utilized in the installation of electricity and fencing of ICT Hubs at Pala and Kobodo. However, relevant procurement documents were not provided for audit

In the circumstances, the regularity and validity of expenditure of Kshs.1,200,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


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

collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability 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


21 September, 2022

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


VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	168,987,197	88,500,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		168,987,197	88,500,000
PAYMENTS			
Compensation of employees	4	5,704,397	4,370,466
Use of goods and services	5	7,358,872	7,006,046
Transfers to Other Government Units	6	78,934,894	51,178,455
Other grants and transfers	7	75,387,299	23,683,740
Acquisition of Assets	8	2,760,000	-
Other Payments	9	1,200,000	-
TOTAL PAYMENTS		171,345,462	86,238,707
SURPLUS/DEFICIT		(2,358,265)	2,261,293

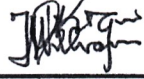
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ndhiwa Constituency financial statements were approved on 30th 2021 and signed by:



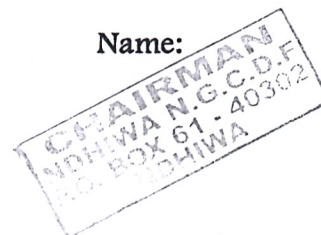
 Fund Account Manager
 Name:



 National Sub-County
 Accountant
 Name:
 ICPAK M/No: 16033



 Chairman NG-CDF Committee
 Name:




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

STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 30TH JUNE 2021

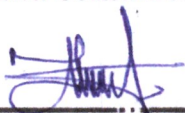
	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	681,499	3,039,764
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		681,499	3,039,764
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		681,499	3,039,764
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	681,499	-
NET FINANCIAL ASSETS			3,039,764
REPRESENTED BY			
Fund balance b/fwd 1st July...		3,039,764	778,471
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(2,358,265)	2,261,293
NET FINANCIAL POSITION		681,499	3,039,764

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ndhiwa Constituency financial statements were approved on 30/6 2021 and signed by:




Fund Account Manager
Name:





National Sub-County
Accountant
Name:
ICPAK M/N: 16033



Chairman NG-CDF Committee
Name:



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

- I. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021

STATEMENT OF CASH FLOW

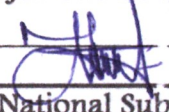
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board		168,987,197	88,500,000
Other Receipts	1	-	-
	3	168,987,197	88,500,000
Payments for operating activities			
Compensation of Employees		5,550,085	4,370,466
Use of goods and services	4	7,513,184	7,006,046
Transfers to Other Government Units	5	91,694,894	51,178,455
Other grants and transfers	6	61,582,299	23,683,740
Other Payments	7	2,245,000	-
	9	168,585,462	86,238,707
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		401,735	2,261,293
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	2,760,000	-
Net cash flows from Investing Activities		(2,760,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(2,358,265)	2,261,293
Cash and cash equivalent at BEGINNING of the year	10	3,039,764	778,471
Cash and cash equivalent at END of the year		681,499	3,039,764

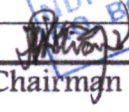
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ndhiwa Constituency financial statements were approved on _____ 2021 and signed by:

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

CHAIRMAN
NDHIWA N.G.C.D.F.
PO BOX 61 - 40302
NDHIWA







Fund Account Manager
Name:

National Sub-County
Accountant,
Name:
ICPAK M/No: 16033

Chairman NG-CDF Committee
Name:



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

II. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30TH JUNE 2021


Receipt/Expense Item	Original Budget a	Adjustments b		Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
RECEIPTS							
Transfers from NG-CDF Board	137,088,879	3,039,764	78,987,195	219,115,838	172,026,961	47,088,877.31	78.5%
Proceeds from Sale of Assets						-	0.0%
Other Receipts						-	0.0%
TOTAL RECEIPTS	137,088,879	3,039,764	78,987,195	219,115,838	172,026,961	47,088,877	78.5%
PAYMENTS							
Compensation of Employees	4,956,290		863,794	5,820,084	5,550,085	269,999	95.4%
Use of goods and services	7,029,827	136,342	347,016	7,513,185	7,513,184	0	100.0%
Transfers to Other Government Units	61,550,000		51,211,545	112,761,545	91,694,894	21,066,651	81.3%
Other grants and transfers	60,452,763	1,858,422	25,704,840	88,016,025	61,582,299	26,433,726	70.0%
Acquisition of Assets	1,900,000		860,000	2,760,000	2,760,000	-	100.0%
Other Payments	1,200,000	1045000	0	2,245,000	2,245,000	-	100.0%
TOTAL	137,088,879	3,039,764	78,987,195	219,115,838	171,345,462	47,770,376	78.2%

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

Below is commentary on the significant and the underutilization (below 90%) and any over utilization (above 100%)

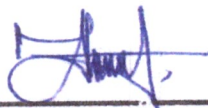
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	47,770,376
Less undisbursed funds receivable from the Board as at 30 th June 2021	47,088,877
	681,499
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	681,499

The NGCDF-Ndhiwa Constituency financial statements were approved on 30/6 2021 and signed by:




 Fund Account Manager
 Name:

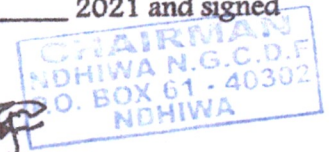




 National Sub-County
 Accountant
 Name:
 ICPAK M/N: 16033



 Chairman NG-CDF Committee
 Name:



X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,956,290	-	863,794.00	5,820,084	5,704,397	115,687
1.2 Committee allowances	1,248,000	-	22,200.00	1,270,200	1,252,229	17,971
1.3 Use of goods and services	1,680,126	-	53,498.00	1,733,624	1,733,624	(0)
Total	7,884,416	-	939,492.00	8,823,908	8,690,250	133,657
2.0 Monitoring and evaluation						
2.1 Capacity building	2,101,701	-	3,231.00	2,104,932	2,104,932	(0)
2.2 Committee allowances	1,000,000	-	42,600.00	1,042,600	1,042,600	-
2.3 Use of goods and services	1,000,000	-	225,487.00	1,225,487	1,225,487	-
Total	4,101,701	-	271,318.00	4,373,019	4,373,019	(0)
3.0 Emergency						
3.1 Primary Schools	1,200,000	-	38,068.00	1,238,068	1,200,000	38,068
3.2 Secondary schools	5,992,207	-	-	5,992,207	5,992,207	-
3.3 Tertiary institutions		-	-	-	-	-

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Apuch Primary School				150,000.00	150,000	150,000.00	-
Kamasi Primary School	500,000.00			500,000	500,000	500,000.00	500,000
Kamenya Primary School	400,000.00			400,000	400,000	400,000.00	400,000
Kamololo Primary School				150,000.00	150,000	150,000.00	-
Kobodo Primary School	500,000.00			500,000	500,000	500,000.00	500,000
Kodida Primary School				150,000.00	150,000	150,000.00	-
Koduogo Primary School	900,000.00			900,000	900,000	900,000.00	900,000
Koguta Primary School	500,000.00			500,000	500,000	500,000.00	500,000
Kolwalo Primary School				150,000.00	150,000	150,000.00	-
Kolwalo Primary School	600,000.00			600,000	600,000	600,000.00	-
Kombe Primary School				900,000.00	900,000	900,000.00	-
Kongo Primary School	500,000.00			500,000	500,000	500,000.00	-
Kwoyo Primary School	1,400,000.00			1,400,000	1,400,000	1,400,000.00	1,400,000
Langi Primary School				150,000.00	150,000	150,000.00	-
Longo Primary School				150,000.00	150,000	150,000.00	-
Malela Primary School	3,600,000.00			3,600,000	3,600,000	3,600,000.00	-
Manywanda Primary School	600,000.00			600,000	600,000	600,000.00	500,000
Mariri Primary School				150,000.00	150,000	150,000.00	-

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Marco Primary				150,000.00	150,000	150,000.00	-
Mawega Primary School				150,000.00	150,000	150,000.00	-
Miranga Primary School	900,000.00				900,000		900,000
Misita Primary School	300,000.00				300,000		300,000
Ndere Primary School	900,000.00				900,000		900,000
Ndhiwa Primary School	1,000,000.00				1,000,000		1,000,000
Ndisi Primary School				150,000.00	150,000	150,000.00	-
Ngere Kwabai Primary School	400,000.00			150,000.00	550,000	150,000.00	400,000
Nyamos Primary School	400,000.00				400,000	400,000.00	-
Nyandemra Primary School	400,000.00				400,000	400,000.00	-
Nyandiwa Primary School	900,000.00				900,000	900,000.00	-
Nyandoto Primary School	400,000.00				400,000	400,000.00	-
Nyangiendo Primary	900,000.00				900,000	900,000.00	-
Ober Primary				500,000.00	500,000	500,000.00	-
Odhiambo Rambo Primary	500,000.00				500,000		500,000
Omakokoth Primary School	700,000.00			150,000.00	850,000	150,000.00	700,000
Ombo Primary School	500,000.00				500,000		500,000
Omoya Primary School	300,000.00				300,000	300,000.00	-

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Oneno Nam Primary School	400,000.00				400,000		400,000
Opanga Primary School	600,000		150,000.00		750,000	150,000.00	600,000
Osani Primary School	800,000.00				800,000		800,000
Osodo Primary School	500,000.00				500,000		500,000
Osoyo Primary School	300,000.00				300,000		300,000
Osure Primary School	900,000.00				900,000		900,000
Ototo Primary School	500,000.00				500,000	500,000.00	-
Foya Primary School	900,000.00				900,000		900,000
Radienya Primary School	600,000.00				600,000		600,000
Rairi Primary School			150,000.00		150,000	150,000.00	-
Rambusi Primary School			150,000.00		150,000	150,000.00	-
Ramoya Primary School	400,000.00				400,000		400,000
Randhore Primary School	600,000		150,000.00		750,000	150,000.00	600,000
Ranen Mikumu Primary School	400,000.00				400,000		400,000
Rapedhi Primary School	300,000.00				300,000		300,000
Rota Primary School	1,000,000.00				1,000,000		1,000,000
Ruga Primary School	500,000.00				500,000		500,000
Sigama Primary School			150,000.00		150,000	150,000.00	-

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Singenge Primary School	900,000.00				900,000		900,000
St. Philip Mirogi Primary School	400,000.00				400,000		400,000
Wanjawa Primary School	600,000.00				600,000		600,000
Wayaga Primary School	600,000.00				600,000		600,000
Wi-Koonje Primary School		150,000.00			150,000	150,000.00	-
Wirakuom Primary School	300,000.00				300,000	300,000.00	-
Yago Primary School	900,000.00		150,000.00		1,050,000	150,000.00	900,000
Total	34,300,000	-	4,400,000		38,700,000	17,200,000	21,500,000
8.0 Secondary Schools Projects					-		-
Water Tanks various Schools	1,700,000.00				1,700,000	700,000.00	1,000,000
Alara Secondary School	312,500.00		900,000.00		1,212,500	312,500	900,000
Andiwo Secondary School	900,000.00				900,000		900,000
Bishop Ochiel Nyagidha Girls Secondary School	312,500.00				312,500	312,500	-
Bongu Girls Secondary School	600,000.00				600,000		600,000
Got Kojowi Secondary School	312,500.00				312,500	312,500	-
Goyo Secondary School	912,500.00				912,500	312,500	600,000
Jabagre Secondary School	312,500.00				312,500	312,500	-
Ligodho Secondary School	1,212,500.00				1,212,500	312,500	900,000

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Longo Secondary			500,000.00	500,000	500,000.00		-
Lwanda Kawuor Secondary School	312,500.00			312,500	312,500		-
Mirogi Boys Secondary School	712,500.00			712,500	312,500	400,000	
Mirogi Girls Secondary School	400,000.00			400,000			400,000
Nyamogo Girls Secondary School	312,500.00			312,500	312,500		-
Nyarath Secondary School	312,500			312,500	312,500.00		-
Nyarongi Secondary School	312,500.00			312,500	312,500		-
Ojode Pala Secondary School	312,500.00			312,500	312,500		-
Okota Secondary School	312,500.00			312,500	312,500		-
Ondati Secondary School	312,500.00			312,500	312,500		-
Oridi Girls Secondary School	7,500,000.00			7,500,000	7,500,000		-
Osure Secondary School	900,000.00			900,000	900,000		-
Rambusi Secondary School	300,000.00			300,000	300,000.00		-
Rapedhi Secondary School	312,500.00			312,500	312,500		-
Rarage Secondary School	400,000.00			400,000		400,000	
Ratanga Boys Secondary School	312,500.00			312,500	312,500		-
Sango Secondary	2,000,000		500,000.00	2,500,000	2,500,000.00		-

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Sigama Secondary School	312,500.00			312,500	312,500	-
St. Lucy Odhiambo Rambo Girls	312,500.00			312,500	312,500	-
Wachara Secondary School	312,500			312,500	312,500.00	-
Wayara Secondary School	712,500.00			712,500	712,500	-
Various Secondary School		10,200,000.00		10,200,000	9,980,700	219,300
Various Secondary School		10,000,000.00		10,000,000	9,845,500.00	154,500
KMTC Ndhiwa	4,000,000	24,711,545.00		28,711,545	22,858,694	5,852,851
Total	27,250,000	46,811,545	74,061,545	61,734,894	12,326,651	
10.0 Security Projects						
Director of Criminal Investigation Office (Ndhiwa)	3,750,000.00			3,750,000	3,750,000.00	-
Kachola Chiefs Office	360,000			360,000	360,000.00	-
Kachuth Chiefs Office	500,000			500,000	500,000.00	-
Kamata Police Post	1,000,000.00			1,000,000	1,000,000	-
Kanyadoto Central Chiefs Office	360,000.00			360,000	360,000.00	-
Kanyidoto West Chiefs Office	360,000.00	750,000.00		1,110,000	1,110,000.00	-
Kanyikela Chiefs Office	360,000.00			360,000	360,000	-
Kwandiku Chief's Office	300,000.00			300,000	300,000	-
North Kabuoch Chief's Office	360,000.00			360,000	360,000.00	-
Rachar Chief's Office	360,000.00			360,000	360,000.00	-
Total	7,710,000	750,000	8,460,000	8,460,000	8,460,000	
11.0 Acquisition of assets						
11.3 Purchase of furniture and equipment	1,900,000		1,900,000	1,900,000	1,900,000	-
11.4 Purchase of computers	-	860,000.00	860,000	860,000	860,000	-
Total	1,900,000	860,000.00	2,760,000	2,760,000	2,760,000	
12.0 Other payments						

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ICT Hubs	1,200,000			1,200,000	1,200,000		
Total	1,200,000	-	-	1,200,000	1,200,000	-	-
13.0 unallocated fund							
Unapproved projects							
Roads	11,400,000			11,400,000	45,000	11,355,000	
Strategic Plan	1,017,000			1,017,000	1,000,000	17,000	
Total	12,417,000	-	-	12,417,000	1,045,000	11,372,000	
	137,088,879	3,039,764	78,987,195	219,115,838	171,345,462	47,770,377	

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

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Ndhiwa 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, hpire of Plant/Equipment/Facilities, Unutilized funds from FMCs 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 Equivalentts.

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 14th June 2021 for the period 1st July 2021 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
AIE NO	.B104660	15,000,000	
AIE NO	.B105642	26,000,000	
AIE NO	.B119566	28,367,724	
AIE NO	.B195554	227,586	
AIE NO	.B124637	7,391,887	
AIE NO	.B105050	9,000,000	
AIE NO	.B119997	9,000,000	
AIE NO	.B128238	13,000,000	
AIE NO	.B132294	6,900,000	
AIE NO	.B129200	6,000,000	
AIE NO	.B138963	6,000,000	
AIE NO	.B126255	13,000,000	
AIE NO	.B112607	7,100,000	
AIE NO	.B140693	10,000,000	
AIE NO	.B047121	12,000,000	
AIE NO	.B047338		500,000
AIE NO	.B041171		20,000,000
AIE NO	.B096994		4,000,000
AIE NO	.B047841		15,000,000
AIE NO	.B104441		18,000,000
AIE NO	.B096632		25,000,000
TOTAL		168,987,197	88,500,000

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2. PROCEEDS FROM SALE OF ASSETS

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

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,729,333	2,879,192
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	820,752	622,480
Employer Contributions Compulsory national social security schemes	-	868,794
TOTAL	5,550,085	4,370,466

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	1,887,936	360,962
Electricity	-	-
Water & sewerage charges	-	981,596
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	845,760
Rentals of produced assets	-	-
Training expenses	1,608,420	2,281,440
Hospitality supplies and services	-	1,245,800
Other committee expenses	1,936,245	-
Committee allowance	1,246,000	-
Insurance costs	-	-
Specialized materials and services	-	500,140
Office and general supplies and services	-	-
Fuel , oil & lubricants	-	790,348
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	834,583	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
TOTAL	7,513,184	7,006,046

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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		17,200,000	26,243,410
Transfers to Secondary Schools		61,734,894	17,480,000
Transfers to Tertiary Institutions		-	7,455,045
TOTAL		78,934,894	51,178,455

7. OTHER GRANTS AND OTHER PAYMENTS

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
Bursary - Secondary (see attached list)		30,107,931	3,408,000
Bursary - Tertiary (see attached list)		18,833,536	6,266,708
Bursary- Special Schools		2,250,000	-
Mocks & CAT (see attached list)		-	-
Social Security programmers (NHIF)		2,455,000	-
Security Projects (see attached list)		7,160,000	3,600,000
Sports Projects (see attached list)		2,261,247	2,094,458
Environment Projects (see attached list)		4,037,378	760,000
Emergency Projects (see attached list)		7,192,207	7,554,574
Roads		45,000	
TOTAL		74,342,299	23,683,740

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2020 - 2021	2019 - 2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and General Equipment	-	-
Purchase of computers ,printers and other IT equipment	860,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	1,900,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
TOTAL	2,760,000	0

9. OTHER PAYMENTS

ICT Hubs	1,200,000	-
		-
TOTAL	1,200,000	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: CASH BOOK BANK BALANCE

10A: Bank Balances(cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2020 - 2021	2019 - 2020
Closing cashbook bank Balance		Kshs	Kshs
Ndhiwa NGCDF Equity Bank Homabay	A/C no.0980277066263	681,499	3,039,764
		-	-
TOTAL		681,499	3,039,764
10B: CASH IN HAND)			
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Location 1		-	-
TOTAL		-	-

11: OUTSTANDING IMPRESTS

Name of Officer		Amount Taken	Amount Surrendered
	Date imprest taken	Kshs	Kshs
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-
TOTAL		-	-

12A. RETENTION

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	820,752	-
Closing Gratuity as at 30th June D= A+B-C	820,752	1,100,000

13. BALANCES BROUGHT FORWARD

	2020- 2021	2019- 2020
	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	3,039,764	778,471
Cash in hand		
Imprest		
TOTAL	3,039,764	778,471

14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continue)

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	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	153,754	863794
Use of goods and services	17,970	347016
Amounts due to other Government entities (see attached list)	33,826,651	51,178,455
Amounts due to other grants and other transfers (see attached list)	2,400,000	28,744,604
Acquisition of assets	-	-
Others (<i>specify</i>)	-	860,000
Funds pending approval	11,372,000	
Total	47,770,375	82,026,959

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	4,134,117	32,892,541
Total	4,134,117	32,892,541

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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 d=a-c	Comments
Construction of buildings	A	B	C	d=a-c	
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	Outstanding Balance	Comments
		2020/21	2019/20	
Compensation of employees	Payment of staff salary and gratuity	153,754	863,794	This is fund for staff payments
Use of goods & services	Purchase of consumables for the office use	17,970	347,016	Fund is in cdf account
Sub-Total		171,725	1,210,810	
Amounts due to other Government entities				
Abuoro Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Apuoch Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Kamasi Primary School	Completion of 2 classroom	500,000	-	The fund is still with the NGCDFB
Kamenya Primary School	Completion of 2 classroom	400,000	-	The fund is still with the NGCDFB
Kamolo Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Kobodo Primary School	fencing of school compound	500,000	-	The fund is still with the NGCDFB
Kodida Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Koduogo Primary School	Construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
Koguta Primary School	Completion of 2 classroom	500,000	-	The fund is still with the NGCDFB
Kolwalo Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB

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Kombe Primary School	Completion of 2 classroom	-	900,000	The fund is still with the NGCDFB
Kwoyo Primary School	Renovation of 7 classrooms	1,400,000	-	The fund is still with the NGCDFB
Langi Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Longo Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Manywanda Primary School	Completion of 2 classroom	500,000	-	The fund is still with the NGCDFB
Mairiri Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Maroo Primary	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Mawega Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Miranga Primary School	Construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
Misita Primary School	renovation of 2 classrooms	300,000	-	The fund is still with the NGCDFB
Ndere Primary School	Construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
Ndhiwa Primary School	Renovation of 5 classrooms	1,000,000	-	The fund is still with the NGCDFB
Ndisi Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Ngere Kwabai Primary School	Flooring of 1 no classroom	400,000	150,000	The fund is still with the NGCDFB
Ober Primary	Completion of 1 classroom	-	500,000	The fund is still with the NGCDFB
Odhiambo Rambo Primary	Completion of 2 classroom	500,000	-	The fund is still with the NGCDFB

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Omakokoth Primary School	Fencing and completion of 1 classroom	700,000	150,000	The fund is still with the NGCDFB
Oombo Primary School	Completion of 1 classroom	500,000	-	The fund is still with the NGCDFB
Oono Nam Primary School	Completion of 2 classroom	400,000	-	The fund is still with the NGCDFB
Opanga Primary School	Completion of 2 classroom	600,000	150,000	The fund is still with the NGCDFB
Osari Primary School	Completion of 2 classroom	800,000	-	The fund is still with the NGCDFB
Osodo Primary School	Completion of 2 classroom	500,000	-	The fund is still with the NGCDFB
Osogo Primary School	Completion of 2 classroom	300,000	-	The fund is still with the NGCDFB
Osure Primary School	Construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
Foya Primary School	Construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
Radienya Primary School	Construction of pit latrine	600,000	-	The fund is still with the NGCDFB
Rairi Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Rambusi Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Ramoya Primary School	Flooring of 1 no classroom	400,000	-	The fund is still with the NGCDFB
Randhore Primary School	Completion of 2 classroom	600,000	150,000	The fund is still with the NGCDFB
Ranen Mikumu Primary School	Completion of 2 classroom	400,000	-	The fund is still with the NGCDFB
Rapedhi Primary School	Completion of 2 classroom	300,000	-	The fund is still with the NGCDFB

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Rota Primary School	renovation of 5 classrooms	1,000,000	-	The fund is still with the NGCDFB
Ruga Primary School	Completion of 2 classroom	500,000	-	The fund is still with the NGCDFB
Sigama Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Singenge Primary School	construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
St. Philip Mirogi Primary School	Completion of 2 classroom	400,000	-	The fund is still with the NGCDFB
Wanjawa Primary School	Completion of 2 classroom	600,000	-	The fund is still with the NGCDFB
Wayaga Primary School	completion of 3 classroom	600,000	-	The fund is still with the NGCDFB
Wi-Koonje Primary School	Flooring of 1 no classroom	-	150,000	The fund is still with the NGCDFB
Yago Primary School	Construction of 1 classroom	900,000	150,000	The fund is still with the NGCDFB
Water Tanks various Schools	Purchase of water tanks	1,000,000	-	The fund is still with the NGCDFB
Alara Secondary School	Construction of 1 classroom	900,000	900,000	The fund is still with the NGCDFB
Andiwo Secondary School	Construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
Bongu Girls Secondary School	Completion of girls dormitory	600,000	-	The fund is still with the NGCDFB
Goyo Secondary School	Completion of 1 classroom	600,000	-	The fund is still with the NGCDFB
Ligodho Secondary School	Construction of 1 classroom	900,000	-	The fund is still with the NGCDFB
Longo Secondary	Completion of 1 classroom	-	500,000	The fund is still with the NGCDFB

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Mirogi Boys Secondary School	Completion of 1 classroom	400,000	-	The fund is still with the NGCDFB
Mirogi Girls Secondary School	Completion of 1 classroom	400,000	-	The fund is still with the NGCDFB
Rarage Secondary School	Completion of 1 classroom	400,000	-	The fund is still with the NGCDFB
Sango Secondary	Completion of 1 classroom	-	500,000	The fund is still with the NGCDFB
Various Secondary School	Purchase of lockers for schools	219,300	10,000,000	The fund is still with the NGCDFB
Various Secondary School	Purchase of lab equipment	154,500	10,200,000	The fund is still with the NGCDFB
KMTC Ndhiwa	Payment towards construction of KMTC Block	5,852,851	24,711,545	The fund is still with the NGCDFB
Sub-Total		33,826,651	51,211,545	The fund is still with the NGCDFB
Amounts due to other grants and other transfers				The fund is still with the NGCDFB
4.3 Social Security	Payment of NHIF to elders.	2,400,000	1,200,000	The fund is still with the NGCDFB
Emergency	Cater for unforeseen occurrences	-	38,068	The fund is still with the NGCDFB
Bursary Special	Award to needy students	-	1,000,000	The fund is still with the NGCDFB
Bursary Secondary	Award to needy students	-	15,107,931	The fund is still with the NGCDFB
Bursary Tertiary	Award to needy students	-	8,833,536	The fund is still with the NGCDFB
Constituency Sports	hold sports activities	-	19,469	The fund is still with the NGCDFB
Environment	payment for environmental activities	-	1,795,600	The fund is still with the NGCDFB

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Security Kanyadoto West Chief's office	provide security	-	750,000	The fund is still with the NGCDFB
Acquisition of Assets	Acquisition of asset for the constituency	-	860,000	The fund is still with the NGCDFB
Others (specify)		-		
Sub-Total		2,400,000	29,604,604	
Funds pending approval				The fund is still with the NGCDFB
Roads	Provide access to schools	11,355,000		The fund is still with the NGCDFB
Strategic Plan	development of strategic plan	17,000		The fund is still with the NGCDFB
Sub-Total		11,372,000	-	The fund is still with the NGCDFB
Grand Total		47,770,376	82,026,959	The fund is still with the NGCDFB

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	15,230,000.00	-	-	15,230,000.00
Transport equipment	5,451,413.00	-	-	5,451,413.00
Office equipment, furniture and fittings	4,321,224.00	1,685,000.00	-	6,006,224.00
ICT Equipment, Software and Other ICT Assets	1,502,272.00	1,200,000.00	-	2,702,272.00
Other Machinery and Equipment	11,259,400.00	-	-	11,259,400.00
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	37,764,309.00	2,885,000.00	-	40,649,309.00

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2020/21	2019/20
KOBODO PRIMARY SCHOOL	Cooperative Bank	01139076002901	75,060.00	270,481
MALELA PRIMARY SCHOOL	Equity Bank	0980277616729	152,012.00	2,750,000
RAIRI PRIMARY SCHOOL	Cooperative Bank	01100048006400	50,000.00	896,890
KOGA PRIMARY SCHOOL	Cooperative Bank	01141047162300	-	325
WAYARA PR. SCHOOL	Cooperative Bank	01141048113600	5,000.00	596,295
MANERA PRIMARY SCHOOL	Cooperative Bank	01100076034800	4,000.00	1,297,600
RADIENYA PRIMARY SCHOOL	Cooperative Bank	01100048008300	524.00	496,120
OGADA PRIMARY SCHOOL	Cooperative Bank	011394347428021	113.00	300,000
KAMENYA PRIMARY SCHOOL	Cooperative Bank	01100048235300	325.00	596,260
DAGO PRIMARY SCHOOL	Cooperative Bank	01141048238600	44.00	900,000
NDHIWA HOSPITAL PRIMARY SCHOOL	Cooperative Bank	01141048237900	123.00	200,000
RAMBUSI PRIMARY SCHOOL	Cooperative Bank	01141048020400	55.00	600,000
SARAMBA PRIMARY SCHOOL	Cooperative Bank	01141048057800	143.00	597,120
SIGAMA PRIMARY SCHOOL	Cooperative Bank	01100076030000	855.00	800,000
RAKORO PRIMARY SCHOOL	Cooperative Bank	01100048002800	196.00	400,000
SANGO PRIMARY SCHOOL	Cooperative Bank	01141048345800	2,040,000.00	900,000
OPANGA PRIMARY SCHOOL	Cooperative Bank	01141047085600	12.00	900,000
NYAMWARE PRIMARY SCHOOL	Cooperative Bank	01100048112900	852.00	400,000
GOD FOKO PRIMARY SCHOOL	Cooperative Bank	01100048222800	124.00	500,000
SIBUOCHE PRIMARY SCHOOL	Cooperative Bank	01141048110600	411.00	450,000
SANGORE PRIMARY SCHOOL	Cooperative Bank	01141048026100	63.00	600,000
FALA PRIMARY SCHOOL	Cooperative Bank	01141048110500	94.00	300,000

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GOT ADUNNDO PRIMARY SCHOOL	Cooperative Bank	01141048026200	553.00	590,000
KOMBE PRIMARY SCHOOL	Cooperative Bank	01100047920801	-	-
BUCHE PRIMARY SCHOOL	Cooperative Bank	01100048004100	117.00	600,000
NYAGIDHA SEC. SCHOOL	Cooperative Bank	0110048092900	-	-
OMOYA PRIMARY SCHOOL	Cooperative Bank	01141048028300	199.50	850,000
OGADI PRIMARY SCHOOL	Cooperative Bank	01141048195700	143.00	300,000
ARIRI PRIMARY SCHOOL	Cooperative Bank	01100434585200	54.00	400,000
MINYA PRIMARY SCHOOL	Cooperative Bank	01100076030400	89.00	300,000
RARAGE SEC. SCHOOL	Cooperative Bank	01139047547303	1,110.00	600,000
ALUOR MIXED SEC	Cooperative Bank	01100076483000	-	-
ORIDI GIRLS SECONDARY SCHOOL	Cooperative Bank	01100433410600	-	-
MAGINA GIRLS SECONDARY SCHOOL	Equity Bank	0980277616841	81.00	600,000
MIROGI BOYS SECONDARY SCHOOL	Cooperative Bank	01100433410700	551.00	500,000
NYAMOGO GIRLS SECONDARY SCHOOL	Cooperative Bank	01141636297200	93.00	1,000,000
LANGI MIXED SECONDARY SCHOOL	KCB	123125521	680.00	700,000
KAGURIA SECONDARY SCHOOL	Cooperative Bank	01141636297500	440.00	1,450
WAYARA SECONDARY SCHOOL	Cooperative Bank	01141047403100	-	-
SIGAMA SECONDARY SCHOOL	Cooperative Bank	01100433833300	-	-
LWANDA KAWUOR MIXED SEC	COOPERATIVE BANK	01100433833500	-	-
ST. PETERS RAMBUSI BUS	EQUITY BANK	0980854211000	-	7,200,000
ALARA SEC. SCHOOL	Cooperative Bank	01139434723502	-	900,000
KANYIKELA SOUTH CHIEF'S OFFICE	Cooperative Bank	01141637995000	360,000.00	750,000
KANYADOTO WEST CHIEF'S OFFICE	Cooperative Bank	01141637995200	360,000.00	750,000
KACHOLA CHIEF'S OFFICE	Cooperative Bank	01141637992700	360,000.00	750,000

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NORTH KABUOCH CHIEF CAMP	Cooperative Bank	01141636454500	360,000.00	600,000
RACHAR CHIEF CAMP	Cooperative Bank	01141637995500	360,000.00	750,000
Total			4,134,117	32,892,541

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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)
01	<p>Missing reconciliations Reconciliations for the months of July 2019 and June 2020 were not availed for audit review</p>	<p>❖ The Reconciliation for July 2019 and June 2020 is attached for audit verification. Appendix 01</p>	Resolved	30/6/2021
02	<p>Un supported sports expenditure of kes.2,094,458</p> <p>Observations Included in the other grants and payments figure of kes.23, 683,740 was sports expenditure of kes.2, 094,458.we could not ascertain the propriety of this amount as expenditure records were not availed for audit review.</p>	<p>❖ The PMC file for sport was not availed and the Chairman has been instructed to submit the file to the NGCDF Office for Audit Verification</p>	Resolved	30/6/2021
03	<p>Under absorption by 54%in the transfer to tertiary institutions</p> <p>Observations Included in the transfer to other government entities figure of kes.51, 178,455 was kes.7, 455,045 being</p>	<p>The Under absorption of Kshs 8,500,000 was a result of delay in the release of Fund from the NGCDF board</p>	Resolved	30/6/2021

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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)
	transfers to tertiary institutions. It was further noted that the CDF budgeted and received kes.15,750,000 for the acquisition of land for the construction of Tom Mboya University leading to an under absorption of kes.8,500,000 i.e 54%. Management did not explain the under absorption in this vote			
04	<p>In adequately supported fuel expenditure kes.500,140</p> <p>Observations Management has in its possession two vehicles; GKA 191X and GKA 735N. Audit examination of fuel records reveal that work tickets were not maintained for vehicle GKA 191X for the period under review(except Nov 2019) It was further noted that fuel drawn as per the detail orders could not be traced to the work ticket as analyzed in Appendix 1</p>	<ul style="list-style-type: none"> ❖ The work ticket for GKA 191X for June, July and August 2019 was not availed at the time of audit and is now availed for audit verification. ❖ The Fuel drawn was not indicated to the work ticket and the drivers has been instructed to indicate the Litres drawn as per the detail order to the work ticket 	Resolved	30/6/2021
05	<p>In adequately supported Covid Expenditure</p>	<p>Management Response</p> <ul style="list-style-type: none"> ❖ The contractor was awarded the contract of supply and delivery of of 	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Observation Included in the use of goods figure of kshs.7, 006,046 was an expenditure of kshs.1, 094,400 relating to procurement of 7,820 boxes of surgical facemasks. Examination of documents relating to this payment revealed that there were no records to indicate the masks were officially received and eventually how the masks were distributed.</p>	<p>7,820 boxes of surgical facemasks with LPO of which, there was an acceptance letter for the supply. Having supplied the said boxes, the contractor submitted and an Invoice and Delivery which was received in the NGCDF office, Ndhiwa Sub County by the Fund Account Manager before payment was done. The Delivery Note indicated who receives (name), date and signature of the receiver. This shows that the said boxes were received.</p> <p>❖ The Facemasks were distributed to the residents of the sub county and photos have been attached for to show how they were distributed.</p>		
06	<p>In adequately supported Routine maintenance Expenditure kes.790,348</p> <p>Observation Included in the routine maintenance expense amount of kes.790,348 were sampled payments of kes.232,406 incurred in for the servicing of the CDF</p>	<p>❖ The Mechanical Inspection for the Service was not availed and is now availed for audit verification</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	vehicles. We could not however verify the propriety of the expense as no mechanical inspection report by public works to indicate the extent of repairs required and the estimated cost was never availed for audit review.			
07	<p>Un Utilized Funds</p> <p>Observations Reported in the notes to the financial statements note 17.3, management disclosed Un utilized fund balance of kes.82, 026,959. These amounts were in relation to current and Prior year projects that were approved but never funded due to delays in exchequer. We could however not confirm the accuracy of the un utilized funds as the approved budget and list of pending prior year projects were never availed for audit review</p>	<ul style="list-style-type: none"> ❖ The code list for approved projects is attached for audit verification ❖ The List of pending prior project was not availed an is now availed for audit verification 	Resolved	30/6/2021
08	<p>1.1 Assets not tagged</p> <p>It was observed that for the</p>	<ul style="list-style-type: none"> ❖ The Asset Register submitted was not updated as per the Financial 	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>following Asset Classes did not have tags; Furniture and fittings, Office equipment, ICT equipment and other ICT Assets and other machinery and equipment. 1.2 Variances in PPE values between the Assets Register and the financial statement</p> <p>Management reported fixed assets amounting to kes.33, 213,933 in the financial statements Annex 4 (Summary of Fixed Assets).</p>	<p>Statement and the updated asset register is attached for audit verification.</p>		
09	<p>under - utilization of budget</p> <p>Observations</p> <p>An audit review of the statement of comparison of budget and actual amounts for the period ended 30 June 2020 revealed that The CDF Board approved budget for 2019/2020 amounted to Kshs. 168,265,665 however, the institution received Ksh. 89,278,471 translating to 53.1% of the projected receipts</p> <p>The total expenditure budget</p>	<p>❖ The Under utilization of 48.8% is as a result of delay in release of fund from NG-CDF Board.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>approved was Kshs 168,265,665 while actual expenditure incurred during the year under review was Kshs 86,238,707 translating to an absorption rate of 51.2%</p> <p>There was generally an under-utilization by Ksh 82,026,959 or 48.8 % of the approved budget estimates.</p>			
10	<p>Poor Workmanship</p> <p>Observation During the year under review management incurred kes. 26,243,410 as transfers to Primary schools. A field verification exercise done on a sample of the projects revealed the following observations <u>Manera primary School</u> Cracks on the wall Poor flooring Complete not in use <u>Ariri Primary school</u> Only one classroom Completed Cracks on the floor</p>	<p>❖ The contractors have been informed for the repairs of the said cracks. There was also retention which was withheld in the PMC Account of which will be paid upon repairs of cracks</p>	Resolved	

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	<p><u>Kwoyo Primary School</u> Completed not in use Cracks on the floor</p>			
11	<p>Lack of value for money Observation During the year under review management incurred kes. 17,480,000 as transfers to Primary schools. A field verification exercise done on a sample of the projects revealed the following observations ALARA SEC - Project not branded - Payment done without inspection and certification by public works - Principal has no retention held, no withholding tax held. Current PMC account statement not availed.</p>	<p>The branding of the CDF projects is normally done upon completion and the contractor has been informed to brand the said School. The payment is done upon inspection report from Public Works and the Certificate has been attached for audit verification The retention is withheld in the PMC account for the project. The principal has been informed to submit PMC Account for audit verification</p>	Resolved	
	Lack of value for money	The NGCDF made payment to the PMC	Resolved	

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	<p>Observation During the year under review management incurred kes. 17,480,000 as transfers to Primary schools. A field verification exercise done on a sample of the projects revealed the following observations NYAMOGO SEC</p> <ul style="list-style-type: none"> - Works not completed yet payment is done in full. - Flooring of six offices pending, painting of ceiling pending for all rooms, nine instead of ten rooms done. - Alleged borrowing from another source for same project, evidence not availed but refunding done. 	<p>account for the said project as per the approved codelist. The contractor was in the process of finishing at the time of audit and has not handed over the site. The contractor has been informed for branding upon completion. The PMC file has been attached for audit verification</p>		
12	<p>Lack of value for money</p> <p>Observation During the year under review management incurred kes. 17,480,000 as transfers to Primary schools. A field verification exercise done on a sample of the projects revealed the following observations RARAGE SEC</p>	<p>The Community completed the classroom and the PMC having received the fund, the made request for construction of another classroom which was approved by the Ndliwa NGCDF board.</p>	Resolved	

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13	<p>There were no classrooms to be completed as per the code list. Money reached the school and was re allocated for construction of one classroom. Authority to reallocate the funds given by CDF board not availed.</p> <ul style="list-style-type: none"> - Compromised pre-need assessment before funding. <p>Lack of value for money</p> <p>Observation During the year under review management incurred kes. 17,480,000 as transfers to Primary schools. A field verification exercise done on a sample of the projects revealed the following observations</p> <ul style="list-style-type: none"> LANGI SEC -Poor workmanship, Cracked floor. No retention, payment done without inspection and certification by public works. PMC bank statement not availed 	<p>The contractor has been notified for the cracks before payment of the retention which was withheld in the PMC account for the project.</p> <p>The project file is availed for audit verification</p>	Resolved	
14	<p>BURSARIES -Irregular reallocation of kshs 20000000 meant for bursaries to secondary and primary school</p>	<p>The NG-CDF ndhiwa had received the allocation for Bursary and a result of Covid-19 which brought the closure of schools in March 2020 before</p>	Resolved	

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	<p>Projects. The Justification for reallocation of the monies was that schools were not operational yet the projects reallocated too were still school projects that would only be operationalized by school opening.</p> <p>-There were no approvals from CDF board.</p>	<p>disbursement was done. The NGCDF ndhiwa in their minuted resolution resolve to have the fund of Kshs 20,000,000 be re-allocated to mitigate the Infrastructure of various 34 projects in primary and secondary schools. The re-allocation was to be approved by the NGCDF Board of which the at the time of audit, no payment was done for the said projects because the NG-CDF ndhiwa was waiting for approval.</p>		
15	<p>LOCKERS TO SCHOOLS</p> <p>-At the point of verification only ten schools acknowledged receipt of the said lockers.</p>	<p>The contractor was awarded contract in for supply and delivery of a set of 50 lockers and chairs to 32 various secondary school in October 2020 of which only 10 schools had been supplied and was still in the process of delivery to the remaining schools.</p>	Resolved	
13	<p>LAB EQUIPMENT FOR SCHOOLS</p> <p>- The institutions did not capture the specific need in terms of equipment to be purchased. There were no records on how the equipment were issued at school level or acknowledgements from the beneficiary schools at cdf level.</p>	<p>The lab equipment used in secondary schools are uniformity and before delivery there was request letter from schools.</p> <p>The Principals of the Institutions received and acknowledged. The lab equipment file was not availed for audit and is attached for audit verification.</p>	Resolved	