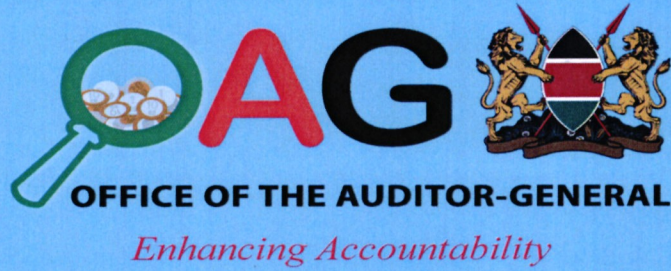


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - ISIOLO SOUTH CONSTITUENCY**

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

| | |
|--------------------------------------|---------------|
| THE NATIONAL ASSEMBLY | |
| P. 1 | |
| DATE: 06 JUL 2023 | day: Thursday |
| TABLED BY: Hon. Samuel Chepkonga, MP | |
| CLEARANCE BY: Joyce Kemerele | |

PARLIAMENT
OF KENYA
LIBRARY

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.

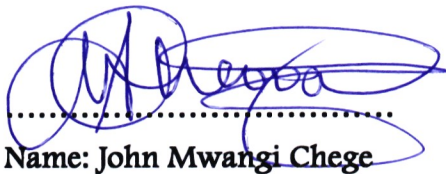
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



Name: John Mwangi Chege

FAM

V. Statement of Management Responsibilities

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

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

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

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

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-

Isiolo South NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Isiolo South 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

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

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

2. Environmental performance

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

3. Employee welfare

We invest in providing the best working environment for our employees. Xxx constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. xxx 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.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Isiolo South 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.

III. Statement of Performance Against Predetermined Objectives for FY2021/22

Introduction

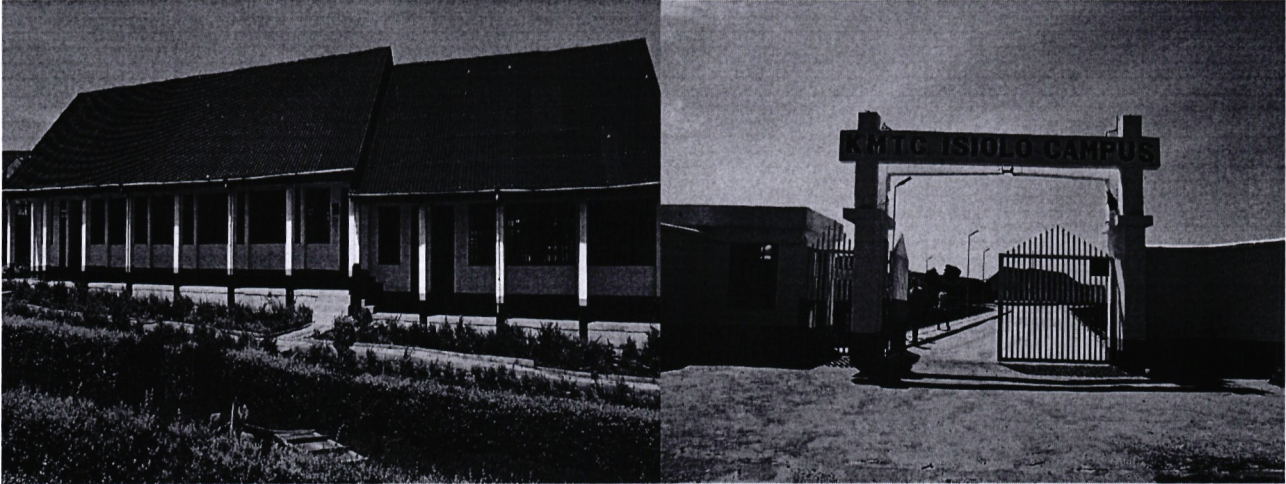
Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards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

Progress on attainment of Strategic development objectives

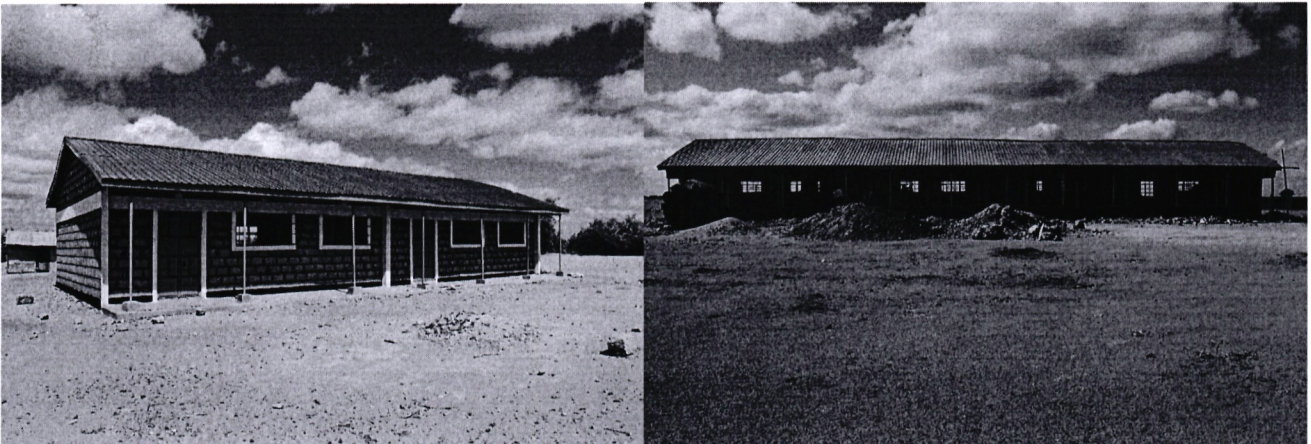
For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking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

| Constituency Sector | Objective | Outcome | Indicator | Performance |
|----------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels | In FY 21/22 -we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules |
| Security | To create a safe and secure area | Increased police offices ,chiefs offices and housing | Better security infrastructure | Completed several police post and chiefs offices |
| Environment | To create a clean environment | Good environment | Clean environment | Increased tree cover |
| Sports | To facilitate sports activities | Increased sports teams | No of sporting activities increased | Creation of sports as a profession |
| Emergency | To facilitate emergencies activities | Increased response to emergencies | No of interventions increased | Secure area from unforeseen emergencies |

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



KMTTC Tuition Block: In partnership with Isiolo North CDF, we contributed KES 5 m towards construction of tuition block and landscaping FINANCIAL YEAR 2018/2019



Wako wario Primary School: Construction of 2 classrooms block FINANCIAL YEAR 2021/2022 KES 2.4 M


.....

Name
CHAIRMAN NGCDF COMMITTEE

4. The youths have also not been left since they have been motivated through the sports kitty through buying them sports uniforms, boots and balls for various football leagues in the constituency.

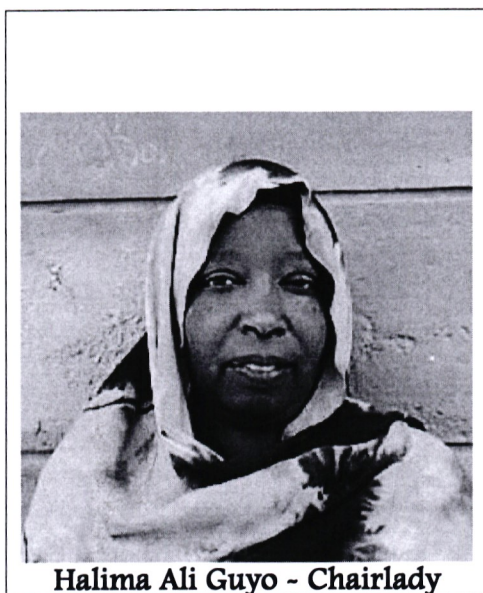
CHALLENGES AND ACHIEVEMENTS

1. Records of work could not be accessed in some projects because the secretary was not in school.
2. Low capacity of some project management committees who were not able to prepare good record of work.
3. The constituency is so extensive and projects are many hence all of them could not be visited.
4. The exercise has instilled financial discipline to project management committees
5. The issue of filing project returns has been embraced by all project management committees
6. Some of the project management committees have not complied with the branding and labelling of NG-CD projects
7. Distance and poor roads led to incompleteness of projects due to high cost of transporting materials

CONCLUSION AND RECOMMENDATION

1. Proper utilization of funds by the project management committees
2. The NGCDFC internal control system need to do vigorous monitoring and evaluation to ensure good progress of all funded projects and quality work is done.
3. There is need to train PMC members on pertinent information relating to project implementation to acquire relevant skills for effective participatory monitoring and evaluation to ensure effective implementation of projects.
4. All project management committees have complied with labelling NGCDF funded projects.

II. NG-CDFC Chairman's Report



Halima Ali Guyo - Chairlady

It gives me great pleasure to provide the foreword to the Isiolo South National Government Constituencies Development Fund Annual Reports and Financial Statements for 2021-2022.

During the 2021- 2022 Financial Year, we set out to improve on our overall operations and on Education, we began to map out keenly the needs of our institutions of learning, both primary and secondary schools. This was aimed at ensuring that no single needy institution is left out in terms of infrastructural development. This has resulted in a more targeted approach to resource allocation. In doing this, we were also cognisant of the need to ensure that we don't spread our resources too thin as to make any meaningful impact.

List emerging issues related to the entity

1. There have been many challenges since some sectors were devolved and therefore could no longer be funded by NG-CDF. Due to this some projects have stalled and this has caused a lot of complaints from the community members.
2. Another challenge is delay in release of funds from the National Government Constituency Development Fund Board causing delay in implementation of the projects.
3. All in all, the fund has been a success and many community members have benefited from it especially the education sector which has greatly been transformed through construction of classes, laboratories, dining halls and educating needy students through the bursary kitty.

(g) Isiolo South Constituency NGCDF Bankers

Consolidated Bank A\C no. 10111300000072
Isiolo Branch
P.O. Box 100-60300
ISIOLO

(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

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

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 2022 and who had direct fiduciary responsibility were:

| No | Designation | Name |
|----|-----------------------|--------------------|
| 1. | A.I.E holder | JOHN MWANGI CHEGE |
| 2. | Sub-County Accountant | PETER KUSUMO ABUKO |
| 3. | Chairman NGCDFC | HALIMA ALI GUYO |
| 4. | Member NGCDFC | ABDULLAHI HASSAN |

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Isiolo South 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) Isiolo South Constituency NG-CDF Headquarters

P.O. Box 987
NG CDF Building/House/Plaza
Garbatulla Avenue/Road/Highway
Isiolo, Kenya

(f) Isiolo South Constituency NGCDF Contacts

Telephone: (254) 722244776
E-mail: isiosouth@ngcdf.go.ke
Website: www.ngcdf.go.ke

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Isiolo South Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)

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;

Table of Contents

Page

| | |
|-------------------------------------------------------------------------------------------------|------|
| I. Key Constituency Information and Management..... | iii |
| II. NG-CDFC Chairman’s Report..... | vii |
| III. Statement Of Performance Against Predetermined Objectives for FY2021/22 | x |
| IV. Environmental and Sustainability Reporting..... | xi |
| V. Statement Of Management Responsibilities | xv |
| VI. Report Of the Independent Auditors On The NGCDF- xx Constituency | xvii |
| VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022 | 1 |
| VIII. Statement Of Assets and Liabilities As At 30 th June, 2022 | 2 |
| IX. Statement Of Cash Flows for The Year Ended 30th June 2022 | 3 |
| X. Summary Statement of Appropriation for The Year Ended 30 th June 2022 | 5 |
| X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022 | 7 |
| XI. Significant Accounting Policies..... | 13 |
| XII. Notes To the Financial Statements | 19 |

Leave it blank



ISIOLO SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

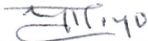
Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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

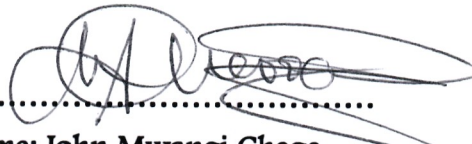
financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared 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- Isiolo South Constituency financial statements were approved and signed by the Accounting Officer on 08-09 2022.



.....
Name: Halima Ali Guyo
Chairman – NGCDF Committee



.....
Name: John Mwangi Chege
Funds Account Manager

REPUBLIC OF KENYA



Enhancing Accountability

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

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Isiolo South Constituency set out on pages 1 to 36,

which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of 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 National Government Constituencies Development Fund - Isiolo South Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Prior Year Adjustments

As previously reported, the statement of assets and liabilities reflects an amount of Kshs.5,960,030 described as prior year adjustments. However, the nature of the prior year adjustment has not been explained in the financial statements.

In the circumstances, the accuracy and validity of the prior year adjustments could not be confirmed.

2.0 Accuracy of Fixed Assets Register

Annex 4 to the financial statements reflects Kshs.16,510,000 in respect to historical cost of assets brought forward. However, the closing historical cost in the previous financial year reflects Kshs.15,787,000 resulting to unexplained variance of Kshs.723,000.

In the circumstances, the accuracy of the fixed assets register balance of Kshs.16,510,000 could not be confirmed.

3.0 Inaccuracy of Summary Statement of Appropriation

The summary statement of appropriation reflects Kshs.179,156,569 in respect to total actual payment on comparable basis. However, a recast of the same reflects Kshs.184,427,069 resulting to unexplained variance of Kshs.5,270,500.

In the circumstances, the accuracy of the summary statement of appropriation could not be confirmed.

4.0 Unaccounted for Bursary Funds

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects Kshs.96,872,488 in respect to other grants and transfers which includes bursaries amounting to Kshs.17,170,943 disbursed to various secondary

schools and Kshs.35,067,767 to tertiary institutions all totalling to Kshs.52,238,710 for the benefit of needy students.

However, the minutes of the bursary committee detailing how the bursaries were awarded were not provided for audit review. Further, examination of payment vouchers and supporting documents revealed that disbursements totalling Kshs.13,923,770 were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy and completeness of other grants and transfers of Kshs.52,238,710 for the year under review could not be confirmed.

5.0 Variance Between Transfers by the National Fund Board and the Receipts Reported by the Fund

Note 1 to the financial statements reflects Kshs.157,488,879 being transfer from the National Government Constituency Development Fund (NGCDF) Board for the year ended 30 June, 2022. However, examination of the records held by the National Government Constituency Development Fund (NGCDF) Board reflected Kshs.158,088,879 as receipts resulting in unexplained variance of Kshs.600,000.

In the circumstances, the accuracy of receipts of Kshs.157,488,879 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Isiolo South Constituency Management in accordance with ISSAI 130 on the 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 summary statement of appropriation for the year ended 30 June, 2022 reflects budgeted receipts of Kshs.211,755,448 and actual receipts of Kshs.179,156,569 resulting to underfunding of Kshs.32,598,879 or 15% of the budget.

Similarly, the Fund expended Kshs.184,427,069 against an approved budget of Kshs.211,755,448 resulting to an under-expenditure of Kshs.27,328,379 or 13% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Projects Implementation Status

During the year under review the Fund budgeted to implement twenty-nine (29) projects worth Kshs.133,948,166. Review of the project implementation status revealed that the Fund Management Committee completed twelve (12) projects amounting to Kshs.75,648,166, and fourteen (14) projects worth Kshs.47,200,000 were ongoing, while three (3) projects with estimated cost of Kshs.1,400,000 had not started. All these projects had been budgeted for and funded in the year ended 30 June, 2022.

In the circumstances, the value for money of the Kshs.1,400,000 funding in respect of projects not started for the year could not be confirmed.

3. Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Control, Risk Management and Governance. Although the Management has indicated that the issues have been resolved, the matters have remained unresolved as the relevant parliamentary committee has not met to deliberate on the same.

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 Incomplete Garbatulla Project

The statement of receipts and payments and Note 7 to the financial statements reflects Kshs.96,872,488 in respect to other grants and other transfers which includes Kshs.35,200,000 for security projects. Included in Kshs.35,200,000 is Kshs.30,000,000 disbursed to Garbatulla Police Project for completion of the modern police station. However, review of the project file and physical verification carried out in March, 2023 revealed the following: -

- i. The project completion period expired on 25 November, 2022 and no evidence of extension of contract period was provided for audit review. Further, there was no updated progress reports prepared for the project. This is contrary to Section 139(2)(a) of Public Procurement and Assets Disposal Act, 2015, which provides that an accounting officer of a procuring entity, on the recommendation of an evaluation committee, may approve the request for the following, which request shall be accompanied by a certificate from the tenderer making a justification for such cost extension or contract period.

- ii. Payment certificate dated 9 May, 2022 for Kshs.11,600,049 for payment on account did not show how the certificate sum was arrived at contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.
- iii. Provisional sum amounting to Kshs.5,200,000 was made in the Bills of Quantities as contingencies and project management expenses. However, utilization of the same was not supported with detailed schedules of payment and other supporting documents. Further, there was no evidence documented to confirm that the utilization of provisional sum was requested and approved by tender evaluation committee as required by Section 139(2) of Public Procurement and Assets Disposal Act, 2015.
- iv. No environmental Impact assessment study was initiated/undertaken before commencement of the project on the waste management as required by Section 58 of the Environmental Management and Coordination Act, 1999 (amended 2015) and Regulation 10 of the environmental (impact assessment and audit) regulations, 2003.
- v. The Bid bonds for the projects have long expired and the Fund did not request the contractors to renew their Bid Bonds as required by Regulation 41(4) and (5) of the Public Procurement and Asset Disposal Regulations, 2006 which states that the procuring entity shall, where it extends the tender validity period, request the tenderers to extend the period of validity of their tender securities. Therefore, the Fund would not be able to receive liquidated damages in case of non-performance by contractors as the bid bond had long expired without renewal.
- vi. A site visit to the premises revealed that the contractor failed to put up a signboard for the construction works while in the Bill of Quantities Kshs.50,000 had been billed for the work. Double door 1200 by 2400 had not been put up at the time of the visit. Three lever mortices lock complete with set lever was missing despite being billed. The sixty (60) curtain tracks billed were missing. Handrails and bottom rails had not been installed. Grilling work, armoury tiles, tiling work around the house and staircase works had also not been done. This is contrary to Section 48(4) of Public Procurement and Asset Disposal Act, 2015 which provides that the inspection and acceptance committee to ensure that the correct quantity of the goods is received; ensure that the goods, works or services meet the technical standards defined in the contract; ensure that the goods, works or services have been delivered or completed on time, or that any delay has been noted; and issue interim or completion certificates, as appropriate and in accordance with the contract.

In the circumstance, the value for money for the Kshs.30,000,000 could not be confirmed and the Management was in breach of the law.

2.0 Non-Compliance with Public Sector Accounting Standards Board and Reporting Templates

The financial statements for the year under review did not have the National Sub-County Accountant's ICPAK membership number. This is contrary to the reporting template issued by the Public Sector Accounting Standards Board in June, 2022 which requires the National Sub-County Accountant to sign and indicate his/her Institute of Certified Public Accountants of Kenya (ICPAK) membership number under the indicated statement(s).

In the circumstances, the financial statements do not comply with the reporting template issued by the Public Sector Accounting Standards Board (PSASB).

3.0 Untagged Assets

As previously reported, Annex 4 to the financial statements reflects Kshs.16,510,000 in respect to summary of fixed assets. However, furniture & fittings and Information Communication Technology (ICT) equipment valued at Kshs.1,510,000 were not tagged for ease of tracking and identification contrary to Regulation 139(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer of a national government entity shall take full responsibility and ensure that proper control systems exists for assets and preventive mechanism are in place to eliminate theft, security threats, loss, wastage and misuse and that movement and condition of assets can be tracked.

Further, the assets were not insured contrary to Section 31(4) of the National Government Constituencies Development Fund Act, 2015 which states that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Development Fund Committee shall be the property of the Board to be insured in the name of the Board.

In addition, the building structures sit on un surveyed land of unknown value and the land was not registered in the name of the National Government Constituencies Development Fund Board contrary to Section 31(4) of the National Government Constituencies Development Fund Act, 2015 which states that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Development Fund Committee shall be the property of the Board.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Unutilized Funds

The statement of receipts and payments, and as disclosed in Note 6 to the financial statements reflects a balance of Kshs.71,206,388 in respect to transfer to other government units. However, despite the management of National Government Constituency Development Fund disbursing funds to respective project management committees (PMCs), the projects with a total budget of Kshs.27,328,172 were not implemented during the year under review.

In the circumstance, Management should put in place proper mechanisms to ensure implementation of all planned and funded projects.

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 governance.

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

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

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

activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 May, 2023

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

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

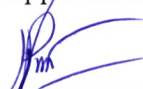
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

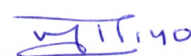
| | Note | 2021 – 2022 | 2020- 2021 |
|-------------------------------------|------|---------------------|--------------------|
| | | Kshs | Kshs |
| Receipts | | | |
| Transfers From NGCDF Board | 1 | 157,488,879 | 187,867,724 |
| Proceeds From Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| Total Receipts | | 157,488,879 | 187,867,724 |
| Payments | | | |
| Compensation Of Employees | 4 | 3,120,031 | 2,322,440 |
| Use Of Goods and Services | 5 | 13,228,162 | 15,327,672 |
| Transfers To Other Government Units | 6 | 71,206,388 | 84,310,000 |
| Other Grants and Transfers | 7 | 96,872,488 | 81,422,441 |
| Acquisition Of Assets | 8 | - | 2,500,000 |
| Other Payments | 9 | - | - |
| Total Payments | | 184,427,069 | 185,882,553 |
| Surplus/ (Deficit) | 18 | (26,938,190) | 1,985,171 |

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

The Constituency financial statements were approved on 08-09 2022 and signed by:


Fund Account Manager


**National Sub-County
Accountant**


**Chairman NG-CDF
Committee**

Name: John Mwangi Chege

**Name: Peter Kusumo Abuko
ICPAK M/No:**

Name: Halima Ali Guyo

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

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

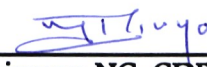
| | Note | 2021-2022 | 2020-2021 |
|----------------------------------------|------|----------------|-------------------|
| | | Kshs | Kshs |
| Financial Assets | | | |
| Cash And Cash Equivalents | | | |
| Bank Balances (As Per the Cash Book) | 10A | 689,530 | 21,667,690 |
| Cash Balances (Cash at Hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 689,530 | 21,667,690 |
| Accounts Receivable | | | |
| Outstanding Imprests | 11 | - | - |
| Total Financial Assets | | 689,530 | 21,667,690 |
| Financial Liabilities | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 12A | | |
| Gratuity | 12B | - | - |
| Total Financial Liabilities | | - | - |
| Net Financial Assets | | 689,530 | 21,667,690 |
| Represented By | | | |
| Fund Balance B/Fwd | 13 | 21,667,690 | 10,339,355 |
| Prior Year Adjustments | 14 | 5,960,030 | 9,343,164 |
| Surplus/Deficit for The Year | | (26,938,190) | 1,985,171 |
| Net Financial Position | | 689,530 | 21,667,690 |

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

The Constituency financial statements were approved on 08.09. 2022 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: John Mwangi Chege

Name: Peter Kusumo Abuko

Name: Halima Ali Guyo

ICPAK M/No:

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

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

| | Notes | 2021 - 2021 | 2021 - 2021 |
|--------------------------------------------------------|-----------|---------------------|--------------------|
| | | Kshs | Kshs |
| Receipts From Operating Activities | | | |
| Transfers From NGCDF Board | 1 | 157,488,879 | 187,867,724 |
| Other Receipts | 3 | - | - |
| Total Receipts | | 157,488,879 | 187,867,724 |
| Payments | | | |
| Compensation Of Employees | 4 | 3,120,031 | 2,322,440 |
| Use Of Goods and Services | 5 | 13,228,162 | 15,327,672 |
| Transfers To Other Government Units | 6 | 71,206,388 | 84,310,000 |
| Other Grants and Transfers | 7 | 96,872,488 | 81,422,441 |
| Other Payments | 9 | - | - |
| Total Payments | | 184,427,069 | 183,382,553 |
| Total Receipts Less Total Payments | | | |
| Adjusted For: | | - | - |
| Decrease/(Increase) In Accounts Receivable | 15 | - | - |
| Increase/(Decrease) In Accounts Payable | 16 | 5,960,030 | 9,343,164 |
| Prior Year Adjustments | 14 | 5,960,030 | 9,343,164 |
| Net Cash Flow from Operating Activities | | (20,978,160) | 13,828,335 |
| Cashflow From Investing Activities | | | |
| Proceeds From Sale of Assets | 2 | - | - |
| Acquisition Of Assets | 8 | - | (2,500,000) |
| Net Cash Flows from Investing Activities | | - | (2,500,000) |
| Net Increase In Cash And Cash Equivalent | | (20,978,160) | 11,328,335 |
| Cash & Cash Equivalent At Start Of The Year | 10 | 21,667,690 | 10,339,355 |
| Cash & Cash Equivalent At End Of The Year | 10 | 689,530 | 21,667,690 |
| | | - | - |

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

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

The Constituency financial statements were approved on 08.09 2022 and signed by:




Fund Account Manager

Name: John Mwangi Chege



**National Sub-County
Accountant**

Name: Peter Kusumo Abuko
ICPAK M/No:



**Chairman NG-CDF
Committee**

Name: Halima Ali Guyo

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

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

| Receipts/Payments | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|-------------------------------------|--------------------|--------------------------------|-------------------------------------------|--------------------|----------------------------|-------------------------------|------------------|
| | | a | b | | | | |
| | 2021/2022 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding disbursements | 2021/2022 | 30/06/2022 | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Transfers From NGCDF Board | 137,088,879 | 21,667,690 | 52,998,879 | 211,755,448 | 179,156,569 | 32,598,879 | 84.6% |
| Proceeds From Sale of Assets | | | | 0 | - | - | 0.0% |
| Other Receipts | 0 | | 0 | 0 | - | - | |
| Totals | 137,088,879 | 21,667,690 | 52,998,879 | 211,755,448 | 179,156,569 | 32,598,879 | 84.6% |
| Payments | | | | | | | |
| Compensation Of Employees | 3,100,000 | | | 3,100,000 | 3,120,031 | (20,031) | 100.6% |
| Use Of Goods and Services | 9,237,999 | | 3,990,163 | 13,228,162 | 13,228,162 | (0) | 100.0% |
| Transfers To Other Government Units | 21,616,896 | 4,709,837 | 49,008,716 | 75,335,449 | 71,206,388 | 4,129,061 | 94.5% |
| Other Grants and Transfers | 103,133,985 | 16,957,853 | 0 | 120,091,838 | 96,872,488 | 23,219,349 | 80.7% |
| Acquisition Of Assets | 0 | | | 0 | - | - | |
| Other Payments | 0 | | | 0 | - | - | |
| Totals | 137,088,879 | 21,667,690 | 52,998,879 | 211,755,448 | 179,156,569 | 32,598,879 | 84.6% |

Notes:

a) There was no AIA because the procurement process is under the Project Management Committees.

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

b) The overutilization of employees' compensation was due to computation of gratuity payment

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|----------------------------------------------------------------------------------------------------|---------------|
| Description | Amount |
| Budget utilisation difference totals | 27,328,379 |
| Less undisbursed funds receivable from the Board as at 30th June 2022 | 32,598,879 |
| | (5,270,500) |
| Add Accounts payable | 0 |
| Less Accounts Receivable | 0 |
| Add/ Less Prior Year Adjustments | 5960030.49 |
| Cash and Cash Equivalents at the end of the FY 2021/2022 | 689,530 |

The Constituency financial statements were approved on 08-09 2022 and signed by:



Fund Account Manager

Name: John Mwangi Chege



National Sub-County Accountant

**Name: Peter Kusumo Abuko
ICPAK M/No:**



Chairman NG-CDF Committee

Name: Halima Ali Guyo

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

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

| Programme/Sub-programme | Original Budget 2021/2022 Kshs | Adjustments | | Final Budget 2021/2022 Kshs | Actual on comparable basis 30/06/2022 Kshs | Budget utilization difference Kshs |
|-----------------------------------------|--------------------------------------|----------------------------------------|---------------------------------------------------|-----------------------------------|--------------------------------------------------|---------------------------------------|
| | | Opening Balance (C/Bk) and AIA Kshs | Previous Years' Outstanding Disbursements Kshs | | | |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 3,100,000 | - | 0 | 3,100,000 | 3,120,031 | (20,031) |
| 1.2 Committee allowances | 2,000,000 | 1,902,000 | 690,163 | 4,592,163 | 4,592,163 | - |
| 1.3 Use of goods and services | 3,125,333 | 1,217,829 | 1,000,000 | 5,343,162 | 5,343,162 | - |
| | 8,225,333 | 3,119,829 | 1,690,163 | 13,035,325 | 13,055,356 | (20,031) |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 2,300,000 | 565,000 | 2,300,000 | 5,165,000 | 460,370 | 4,704,630 |
| 2.2 Committee allowances | 1,112,666 | 305,334 | - | 1,418,000 | 1,418,000 | - |
| 2.3 Use of goods and services | 700,000 | 714,467.00 | - | 1,414,467 | 1,414,467 | - |
| Total | 4,112,666 | 1,584,801 | 2,300,000 | 7,997,467 | 3,292,837 | 4,704,630 |
| 3.0 Emergency | | | | | | |
| 3.1 Primary Schools | 2,400,000 | | 0 | 2,400,000 | 2,400,000 | - |
| 3.2 Secondary schools | | | 0 | - | | |
| 3.3 Tertiary institutions | | | 0 | - | | |
| 3.4 Security projects | 4,792,207 | | 0 | 4,792,207 | 4,792,000 | 207 |

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

| Programme/Sub-programme | Original Budget 2021/2022 | Adjustments | | Final Budget 2021/2022 | Actual on comparable basis 30/06/2022 | Budget utilization difference |
|-----------------------------------------------------------------|------------------------------|--------------------------------|-------------------------------------------|---------------------------|------------------------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| Total | 7,192,207 | - | - | 7,192,207 | 7,192,000 | 207 |
| 4.0 Bursary and Social Security | | | | | | |
| 4.1 Primary Schools | 10,822,885.35 | | | | | |
| 4.2 Secondary Schools | 10,794,010.33 | 10,279,042 | 2,793,612 | 23,895,540 | 17,170,943.60 | 6,724,596 |
| 4.3 Tertiary Institutions | | 6,684,018 | 8,208,716 | 25,686,744 | 35,067,767.00 | (9,381,023) |
| 4.4 Universities | | | | | | |
| 4.5 Social Security | | | | | | |
| Total | 21,616,896 | 16,963,060 | 11,002,328 | 49,582,284 | 52,238,711 | (2,656,427) |
| 5.0 Sports | | | | | | |
| 5.1 | 2,241,778 | | | 2,241,778 | 2,241,778 | (0) |
| 5.2 | | | | | | |
| Total | 2,241,778 | - | - | 2,241,778 | 2,241,778 | (0) |
| 6.0 Environment | | | | | | |
| 6.1 | | | | | | |
| 6.2 | | | | | | |
| 6.3 | | | | | | |
| 7.0 Primary Schools Projects (List all the Projects) | | | | | | |
| 7.1 Malkamansa Pri. School | 3,800,000.00 | | 0.00 | 3,800,000.00 | 2,400,000 | 1,400,000 |
| 7.2 Wako Wario Pri School | 2,400,000.00 | | 0.00 | 2,400,000.00 | 2,400,000 | - |

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

| Programme/Sub-programme | Original Budget 2021/2022 | Adjustments | | Final Budget 2021/2022 | Actual on comparable basis 30/06/2022 | Budget utilization difference |
|---------------------------------------------------------------|------------------------------|--------------------------------|-------------------------------------------|---------------------------|------------------------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| 7.3 Dida Abakiri Primary School | 1,500,000.00 | | 0.00 | 1,500,000.00 | 1,500,000 | - |
| 7.4 Nagaa Primary School | 2,900,000.00 | | 0.00 | 2,900,000.00 | 2,900,000 | - |
| 7.5 Matagari Pri School | 2,000,000.00 | | 0.00 | 2,000,000.00 | 2,000,000 | - |
| 7.6 Gafarsa Pri School | 4,800,000.00 | | 0.00 | 4,800,000.00 | 4,800,000 | - |
| 7.7 Gafarsa Pri School | 1,400,000.00 | | 0.00 | 1,400,000.00 | 1,400,000 | - |
| 7.8 Isiolo South Sec Sch Furniture | 10,500,000 | | | 10,500,000 | 10,500,000 | - |
| 7.9 Abagarse Primary School | 2,400,000 | | | 2,400,000 | 0 | 2,400,000 |
| 8.0 Duse Primary School | 1,200,000 | | | 1,200,000 | 0 | 1,200,000 |
| 8.1 Muchuro Primary School | 2,400,000 | | | 2,400,000 | 0 | 2,400,000 |
| 8.2 Yaqbarsadi Primary School | 2,400,000 | | | 2,400,000 | 0 | 2,400,000 |
| 8.3 Omara Primary School | 1,800,000 | | | 1,800,000 | 0 | 1,800,000 |
| 8.4 Sericho Primary School | 1,400,000 | | | 1,400,000 | 0 | 1,400,000 |
| 8.5 Kinna Primary School | 3,500,000 | | | 3,500,000 | 0 | 3,500,000 |
| 8.6 Rapsu Primary School | 1,400,000 | | | 1,400,000 | 0 | 1,400,000 |
| 8.7 Badana Primary School | 1,000,000 | | | 1,000,000 | 0 | 1,000,000 |
| 8.8 Qoticha Primary School | 1,000,000 | | | 1,000,000 | 0 | 1,000,000 |
| Total | 47,800,000 | - | - | 47,800,000 | 27,900,000 | 19,900,000 |
| 8.0 Secondary Schools Projects (List all the Projects) | | | | | | |

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

| Programme/Sub-programme | Original Budget 2021/2022 | Adjustments | | Final Budget 2021/2022 | Actual on comparable basis 30/06/2022 | Budget utilization difference |
|-----------------------------------------------------------------------|------------------------------|-----------------------------------------|----------------------------------------------------|---------------------------|------------------------------------------------|----------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| 8.1 Biliqi Nur Secondary School | 0 | | 3,000,000 | 3,000,000 | 3,000,000 | |
| 8.2 Biliqi Nur Secondary School | | | 3,000,000 | 3,000,000 | 3,000,000 | |
| 8.3 Kinna Secondary School | 5,000,000.00 | | | 5,000,000.00 | 5,000,000.00 | - |
| 8.4 Gafarsa Day Secondary School | 5,000,000.00 | | | 5,000,000.00 | 5,000,000.00 | - |
| 8.5 Biliqi Nur Secondary School | 8,500,000.00 | - | | 8,500,000.00 | 6,500,000.00 | 2,000,000 |
| 8.6 Sericho Secondary School | 2,400,000.00 | | | 2,400,000.00 | 2,400,000.00 | - |
| 8.7 Algani Girls Day Secondary School | 2,400,000.00 | | | 2,400,000.00 | 2,400,000.00 | - |
| 8.8 Garbatulla Girls Secondary School | 9,000,000.00 | | | 9,000,000.00 | 7,000,000 | 2,000,000 |
| 8.8 Sericho Secondary School | | | 6,000,000 | 6,000,000.00 | 6,000,000 | - |
| 8.9 Sericho Secondary School | | | 3,006,388 | 3,006,388.00 | 3,006,388 | |
| Total | 32,300,000 | - | 15,006,388 | 47,306,388 | 43,306,388 | 4,000,000 |
| 9.0 Tertiary institutions Projects (List all the Projects) | | | | | | |
| 9.1 | | | | | | |
| 9.2 | | | | | | |
| 9.3 | | | | | | |
| 9.4 | | | | | | |
| 10.0 Security Projects | | | | | | |
| Garbatulla Police Line | 10,000,000.00 | | - | 10,000,000.00 | 10,000,000 | - |

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

| Programme/Sub-programme | Original Budget 2021/2022 | Adjustments | | Final Budget 2021/2022 | Actual on comparable basis 30/06/2022 | Budget utilization difference |
|--------------------------------------------|------------------------------|--------------------------------|-------------------------------------------|---------------------------|------------------------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| Garbatulla Police Line | 0 | | 10,000,000.00 | 10,000,000.00 | 10,000,000 | |
| Garbatulla Police Line | 0 | | 10,000,000.00 | 10,000,000.00 | 10,000,000 | |
| Eldera Ass County Comm Office | 0 | | 3,000,000.00 | 3,000,000.00 | 3,000,000 | |
| Belgesh Police Station | 600000 | | | 600,000.00 | - | 600,000 |
| Ass County Comm | 300,000.00 | | - | 300,000.00 | | 300,000 |
| Sericho Chiefs Office | 500,000.00 | | - | 500,000.00 | | 500,000 |
| Garbatulla DCC's Compound | 2,200,000.00 | | | 2,200,000.00 | 2,200,000 | - |
| Total | 13,600,000 | - | 23,000,000 | 36,600,000 | 35,200,000 | 1,400,000 |
| 11.0 Acquisition of assets | | | | | | |
| 11.1 Motor Vehicles (including motorbikes) | | | | | | |
| 11.2 Construction of CDF office | | | | | | |
| 11.3 Purchase of furniture and equipment | | | | | | |
| 11.4 Purchase of computers | | | | | | |
| 11.5 Purchase of land | | | | | | |
| 12.0 Others | | | | | | |
| 12.1 Strategic Plan | | | | | | |
| 12.2 Innovation Hub | | | | | | |
| 12.2 | | | | | | |
| Funds pending approval** | | | | | | |

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

| Programme/Sub-programme | Original Budget 2021/2022 | Adjustments | | Final Budget 2021/2022 | Actual on comparable basis 30/06/2022 | Budget utilization difference |
|-------------------------|------------------------------|--------------------------------|-------------------------------------------|---------------------------|------------------------------------------|-------------------------------|
| | | Opening Balance (C/BK) and AIA | Previous Years' Outstanding Disbursements | | | |
| Total | - | - | - | - | - | - |
| | 137,088,879 | 21,667,690 | 52,998,879 | 211,755,448 | 184,427,070 | 27,328,379 |

(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- **Isiolo South** Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

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.

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

| Description | 2021-2022 | 2020-2021 |
|--------------|-----------------------|--------------------|
| | Kshs | Kshs |
| NGCDF Board | | |
| B140899 | 33,000,000.00 | 00 |
| B105443 | 44,000,000.00 | 00 |
| B105775 | 22,000,000.00 | 00 |
| B128511 | 5,000,000.00 | 00 |
| B128822 | 12,000,000.00 | 00 |
| B140550 | 12,000,000.00 | 00 |
| B164463 | 19,000,000.00 | 00 |
| B155823 | 10,488,879.00 | 00 |
| B096921 | | 24,000,000 |
| B096873 | | 2,500,000.00 |
| B104892 | | 64,361,336 |
| B138819 | | 13,000,000.00 |
| B128096 | | 6,900,000.00 |
| B132151 | | 6,000,000.00 |
| B124525 | | 9,000,000.00 |
| B124951 | | 8,500,000.00 |
| B124842 | | 5,006,388.00 |
| B128407 | | 6,000,000.00 |
| B126115 | | 7,000,000.00 |
| B126404 | | 10,600,000.00 |
| B140550 | | 12,000,000.00 |
| B119806 | | 13,000,000.00 |
| TOTAL | 157,488,879.00 | 187,867,724 |

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

2. Proceeds from Sale of Assets

| Description | 2021-2022 | 2020 - 2021 |
|------------------------------------------------------------|-----------|-------------|
| | Kshs | Kshs |
| Receipts from the Sale of Buildings | - | - |
| Receipts from the Sale of Vehicles and Transport Equipment | - | - |
| Receipts from the Sale Plant Machinery and Equipment | - | - |
| Receipts from the Sale of Office and General Equipment | - | - |
| TOTAL | - | - |

3. Other Receipts

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

4. Compensation Of Employees

| | 2021-2022 | 2020-2021 |
|--------------------------------------------------------------------|---------------------|------------------|
| | Kshs | Kshs |
| NG-CDFC Basic staff salaries | 2,214,001.00 | 1,945,580 |
| Personal allowances paid as part of salary | | |
| House Allowance | 00 | 00 |
| Transport Allowance | 00 | 00 |
| Leave allowance | 00 | 00 |
| Gratuity to contractual employees | 767,250.00 | 297,600 |
| Employer Contributions Compulsory national social security schemes | 138,780.00 | 79,260 |
| Total | 3,120,031.00 | 2,322,440 |

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

Notes To the Financial Statements (Continued)

5. Use Of Goods and Services

| Description | 2021-2022 | 2020 - 2021 |
|--------------------------------------------------------------|----------------------|-------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | - | 0 |
| Electricity | | 3,000 |
| Water & sewerage charges | | 5,000 |
| Office rent | | |
| Communication, supplies and services | | 150,000 |
| Domestic travel and subsistence | 510,000.00 | 185,800 |
| Printing, advertising and information supplies & services | 408,000.00 | 300,000 |
| Rentals of produced assets | 312,850.00 | |
| Training expenses | 2,235,000.00 | 2,300,000 |
| Hospitality supplies and services | - | 0 |
| Other committee expenses | 900,000.00 | 1,336,800 |
| Committee allowance | 3,082,000.00 | 5,832,900 |
| Insurance costs | - | 308,170 |
| Specialised materials and services | - | |
| Office and general supplies and services | 1,061,500.00 | 300,000 |
| Fuel , oil & lubricants | 2,960,000.00 | 3,040,982 |
| Other operating expenses | - | 0 |
| Bank service commission and charges | - | 0 |
| Other Operating Expenses | | - |
| Security operations | - | |
| Routine maintenance - vehicles and other transport equipment | 1,758,812.00 | 1,565,020 |
| Routine maintenance- other assets | - | |
| TOTAL | 13,228,162.00 | 15,327,672 |

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

Notes to The Financial Statements (Continued)

6. Transfer to Other Government Units

| Description | 2021-2022 | 2020-2021 |
|--------------------------------------------------------|----------------------|-------------------|
| | Kshs | Kshs |
| Transfers To Primary Schools (See Attached List) | 27,900,000.00 | 30,000,000 |
| Transfers To Secondary Schools (See Attached List) | 43,306,388.00 | 54,310,000 |
| Transfers To Tertiary Institutions (See Attached List) | - | - |
| Total | 71,206,388.00 | 84,310,000 |

7. Other Grants and Other transfers

| | 2021-2022 | 2020-2021 |
|-----------------------------------------------------|----------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 17,170,943.60 | 20,164,133 |
| Bursary – tertiary institutions (see attached list) | 35,067,767.00 | 17,698,308 |
| Bursary – special schools (see attached list) | - | - |
| Mock & CAT (see attached list) | - | - |
| Social Security programmes (NHIF) | - | |
| Security projects (see attached list) | 35,200,000.00 | 28,100,000 |
| Sports projects (see attached list) | 2,241,777.59 | 5,090,000 |
| Environment projects (see attached list) | - | 2,700,000 |
| Emergency projects (see attached list) | 7,192,000.00 | 7,670,000 |
| Total | 96,872,488.19 | 81,422,441 |

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

Notes to The Financial Statements (Continued)

8. Acquisition Of Assets

| Non Financial Assets | 2021-2022 | 2020 - 2021 |
|--------------------------------------------------------------|------------------|--------------------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings | - | - |
| Refurbishment of Buildings | - | 2,500,000.00 |
| Purchase of Vehicles 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 and General Equipment | - | - |
| Purchase of computers ,printers and other IT equipments | - | - |
| Purchase of ICT Equipment, Software and Other ICT Assets | - | - |
| Purchase of Specialized Plant, Equipment and Machinery | - | - |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | | |
| TOTAL | - | 2,500,000 |

9. Other Payments

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

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

Notes to The Financial Statements (Continued)

10: Cash Book Bank Balance

| Name Of Bank, Account No. & Currency | 2021-2022 | 2020-2021 |
|----------------------------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| 10A: Bank Accounts (Cash Book Bank Balance) | 689,529.94 | 21,667,690 |
| <i>Name Of Bank, Account No.</i> | - | - |
| Total | 689,529.94 | 21,667,690 |
| 10 B: Cash on Hand | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other Locations (<i>Specify</i>) | - | - |
| Total | - | - |
| <i>[Provide Cash Count Certificates for Each]</i> | | - |

11: Outstanding Imprests

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

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

Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

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

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

| | 2021-2022 (1 st July 2021) | 2020-2021 (1 st July 2020) |
|---------------|------------------------------------------|------------------------------------------|
| | Kshs | Kshs |
| Bank accounts | 21,667,689.64 | 10,339,355 |
| Cash in hand | 0 | 0 |
| Imprest | 0 | 0 |
| Total | 21,667,689.64 | 10,339,355 |

[Provide short appropriate explanations as necessary]

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

Notes to the Financial Statement Continued

14. Prior Year Adjustments

| | Balance b/f FY 2020/2021 as per Audited Financial statements | Adjustments | Adjusted Balance** b/f FY 2020/2021 |
|-----------------------------------|-----------------------------------------------------------------------|------------------|-------------------------------------------|
| Description of the error | Kshs | Kshs | Kshs |
| Bank accounts balances | 21,667,689.64 | | 21,667,689.64 |
| Cash in hand | - | - | - |
| Accounts Payable | - | - | - |
| Receivables | - | - | - |
| Others (specify)-Reversed Cheques | | 5,960,030 | 5,960,030 |
| Total | 21,667,689.64 | 5,960,030 | 27,627,720 |

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

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

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

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

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

| | 2021-2022 | 2020-2021 |
|---------------------------------------------------------------------|----------------------|-------------------|
| | Kshs | Kshs |
| Compensation of employees | (20,031.00) | 777,560 |
| Use of goods and services | 4,704,630 | 1,863,378 |
| Amounts due to other Government entities (see attached list) | - | 290,000 |
| Amounts due to other grants and other transfers (see attached list) | 22,643,779.86 | 46,976,079 |
| Acquisition of assets | 00 | 2,500,000 |
| Funds pending approval | 00 | 00 |
| Total | 27,328,378.86 | 52,407,017 |

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

17.4: PMC account balances (See Annex 5)

| | 2021-2022 | 2020-2021 |
|------------------------------------------|---------------------|------------------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | | |
| Garbatulla Boarding Primary School | | 1,074,571 |
| Kombola Pry School | | 477,105 |
| Badana Primary School | | 552,194 |
| Abagarse Pry Sch | | 52,616 |
| Muchuro Primary School | | 58,250 |
| Duse Primary School | | 69,287 |
| Algani Day Sec Sch | | 682,408 |
| Gafarsa Day Sec Sch | | 4,116,233 |
| Garbatulla day sec sch | | 902,535 |
| Sericho Sec SCh | | 3,275 |
| Biliqi Nur Se Sch | | 7,651 |
| Eldera ACC's office and house | | 177,308 |
| Belgesh Polis Post | | 156 |
| Kinna Chief's Camp | | 1,172 |
| Garbatulla Police Line | | 28,797 |
| Isiolo South NG-CDF sports | | 704 |
| DC's Office Compound | | 61,106 |
| NG-CDF Office | | 1 |
| Isiolo South Environment | | 928 |
| KMTC Isiolo | 145,581.05 | |
| Isiolo South Sports PMC | 13,638.50 | |
| Malkansa Primary PMC | 12,392.00 | |
| Nagaa Primary School | 28,735.00 | |
| Isiolo South Environment | 67,530.00 | |
| Isiolo South NG-CDF Pri Furniture | 92,084.40 | |
| DC's Office Compound | 2,129,880.00 | |
| NG-CDF Office | 12,030.00 | |
| Kombola Primary | 67.90 | |
| Total | 2,501,938.85 | 8,266,295 |

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

18. Surplus/Loss for the year

| | 2021-2022 | 2021-2022 |
|----------------------------|------------------|------------------|
| | Kshs | Kshs |
| Surplus for the year | | (26,938,190) |
| Add balances b/f | 21,667,690 | |
| Add Prior year adjustments | 5,960,030 | 27,627,720 |
| Cash in bank | | 689,530 |
| | | |

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

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

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

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

Annex 2 - Analysis of Pending Staff Payables

| Name of Staff | Designation | Date employed | Outstanding Balance 30 th June 2022 | Comments |
|---------------|-------------|---------------|---------------------------------------------------|----------|
| NG-CDFC Staff | | | | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| Sub-Total | | | | |
| Grand Total | | | | |

**Isiolo South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 3 – Unutilized Fund**

| Name | Brief Transaction Description | Outstanding Balance 2021/22 | Outstanding Balance 2020/2021 | Comments |
|-------------------------------------------------|-------------------------------|-----------------------------|-------------------------------|----------|
| Compensation of employees | | -20,031 | 531,140 | |
| Use of goods & services | | | 2,109,798 | |
| Capacity Building | | 4,704,630 | 0 | |
| Amounts due to other Government entities | | | 290,000 | |
| Tertiary Institutions Bursary | | -2,656,427 | 0 | |
| Sub-Total | | 2,028,172 | 2,930,938 | |
| Amounts due to other grants and other transfers | | 29,300,000 | 46,976,079 | |
| Sub-Total | | 29,300,000 | 46,976,079 | |
| Acquisition of assets | | | 2,500,000 | |
| Others (<i>specify</i>) | | | | |
| Sub-Total | | | 2,500,000 | |
| Funds pending approval | | | | |
| Grand Total | | 31,328,172 | 52,407,017 | |

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

Annex 4 – Summary of Fixed Asset Register

| Asset Class | Historical Cost b/f (Kshs) 2020/21 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2021/22 |
|----------------------------------------------|-------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|---------------------------------------------------|
| Land | | | | |
| Buildings and structures | 5,000,000 | - | - | 5,000,000 |
| Transport equipment | 10,000,000 | - | - | 10,000,000 |
| Office equipment, furniture and fittings | 10,000 | - | - | 10,000 |
| ICT Equipment, Software and Other ICT Assets | 1,500,000 | - | - | 1,500,000 |
| Other Machinery and Equipment | | | | |
| Heritage and cultural assets | | | | |
| Intangible assets | | | | |
| Total | 16,510,000 | | | 16,510,000 |

**Isiolo South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 5 –PMC Bank Balances As At 30th June 2022**

| PMC | Bank | Account number | Bank Balance 2021/22 | Bank Balance 2020/21 |
|------------|-------------------|-----------------------|-----------------------------|-----------------------------|
| | Consolidated Bank | 101012030000663 | | 1,074,571 |
| | Consolidated Bank | 101112030000214 | | 477,105 |
| | Consolidated Bank | 101112030000220 | | 552,194 |
| | Consolidated Bank | 101113010000537 | | 52,616 |
| | Consolidated Bank | 101112030000222 | | 58,250 |
| | Consolidated Bank | 101112030000211 | | 69,287 |
| | Consolidated Bank | 101113010000436 | | 682,408 |
| | Consolidated Bank | 101113010000424 | | 4,116,233 |
| | Consolidated Bank | 101112030000210 | | 902,535 |
| | Consolidated Bank | 101113010000212 | | 3,275 |
| | Consolidated Bank | 101112030000219 | | 7,651 |
| | Consolidated Bank | 101113010000539 | | 177,308 |
| | Consolidated Bank | 101112030000218 | | 156 |
| | Consolidated Bank | 101113010000356 | | 1,172 |
| | Consolidated Bank | 101113010000443 | | 28,797 |
| | Consolidated Bank | 101112030000213 | | 704 |
| | Consolidated Bank | 101112030000223 | | 61,106 |
| | Consolidated Bank | 101112030000209 | | 1 |

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


| PMC | Bank | Account number | Bank Balance 2021/22 | Bank Balance 2020/21 |
|-----------------------------------|-------------------|-----------------------|-----------------------------|-----------------------------|
| Isiolo South Environment | Consolidated Bank | 10111301000312 | | 928 |
| KMTC Isiolo | Consolidated Bank | 1011130100513 | 145,581.05 | |
| Isiolo South Sports PMC | Consolidated Bank | 1011130100449 | 13,638.50 | |
| Malkansa Primary PMC | Consolidated Bank | 1011130100445 | 12,392.00 | |
| Nagaa Primary School | Consolidated Bank | 10111301000226 | 28,735.00 | |
| Isiolo South Environment | Consolidated Bank | 1011203000224 | 67,530.00 | |
| Isiolo South NG-CDF Pri Furniture | Consolidated Bank | 1011203000208 | 92,084.40 | |
| DC's Office Compound | Consolidated Bank | 1011203000223 | 2,129,880.00 | |
| NG-CDF Office | Consolidated Bank | 1011203000209 | 12,030.00 | |
| Kombola Primary | Consolidated Bank | 10111301000214 | 67.90 | |
| Total | | | 2,501,938.85 | 8,266,295 |

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

Annex 6: Progress On Follow Up of Auditor Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------|
| Irregular Procurement | Use of wrong procurement procedure | Will ensure procurement laws and regulations are adhered to | Resolved | N/A |
| Inaccuracies in Unutilized Fund | Unreconciled variance between the note and the summary statement of appropriation | To amend the financial statement | Resolved | N/A |
| Delay in acknowledgement of Bursaries | Non accountability of bursary funds | Acknowledgement receipts have since been availed | Resolved | N/A |
| | | | | |



Name: John Mwangi Chege
Fund Account Manager.