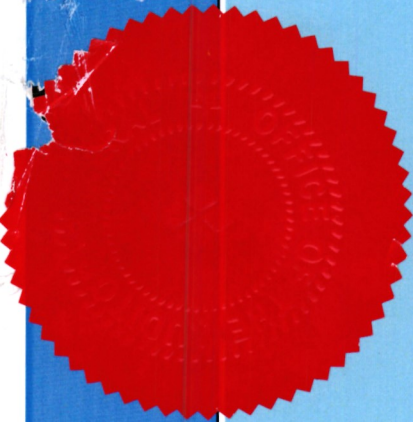


OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY	DATE: 12 APR 2022
REPORT	
OF	

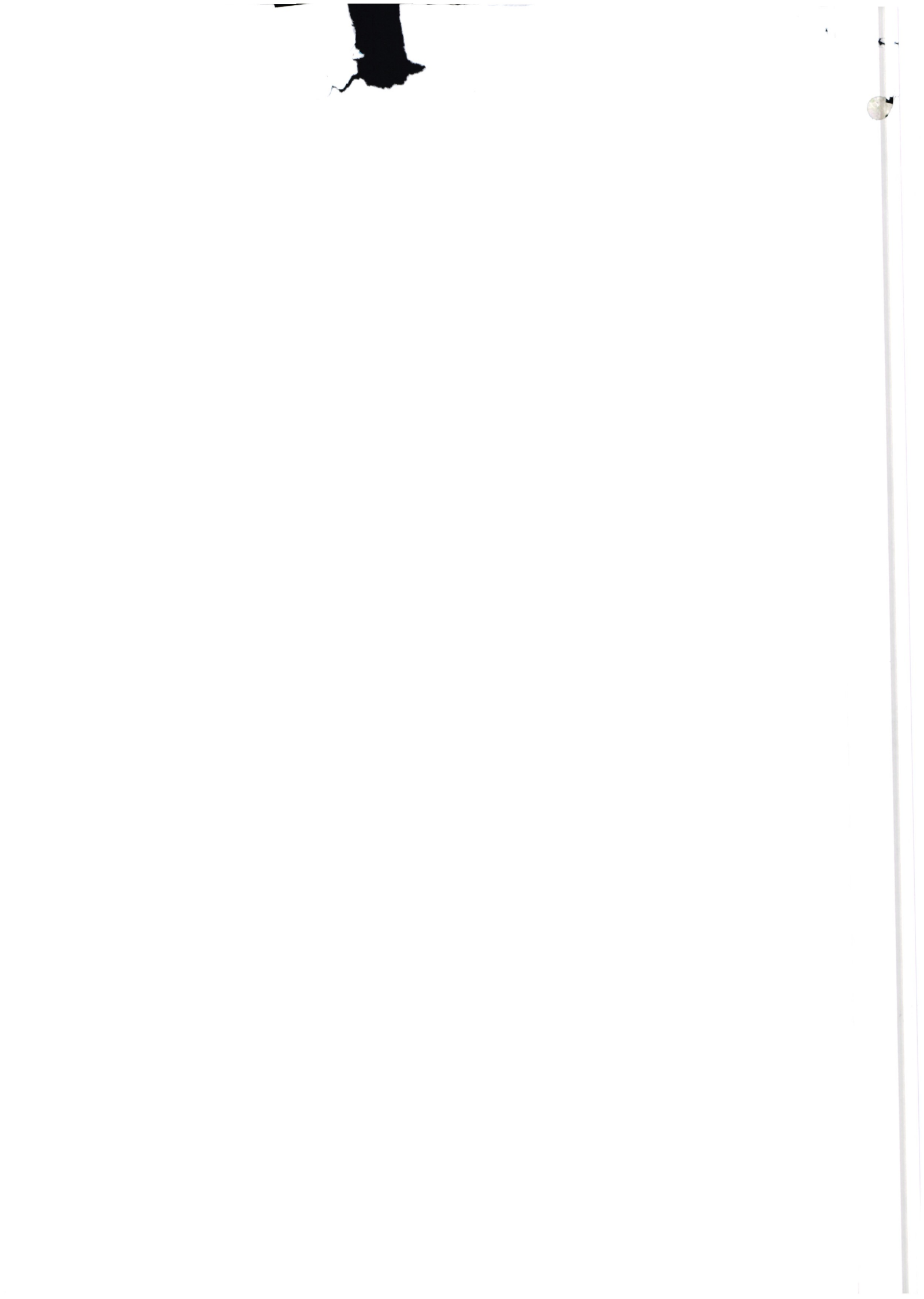
THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – HOMA BAY TOWN CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2020

THE NATIONAL ASSEMBLY	DATE: 12 APR 2022
	TUE
TABLED BY:	L.O.M
CLEARER OF THE TABLE:	Inzof Mmale





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
25 FEB 2022
RECEIVED



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) HOMA
BAY TOWN CONSTITUENCY
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
HOMA BAY TOWN CONSTITUENCY
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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.

(b) Key Management

The NGCDF Homa Bay Town Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Kennedy Chacha
2.	Sub-County Accountant	Augustine Michael Guda
3.	Chairman NGCDFC	Monica Nyadiero
4.	Member NGCDFC	Joseph Ogolla Obuya

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Homa Bay Town Constituency. 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) NGCDF Homa Bay Town Constituency Headquarters

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
HOMA BAY TOWN CONSTITUENCY
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For the year ended June 30, 2020**

(f) NGCDF HOMA BAY TOWN Constituency Contacts

Telephone: (254) 722471936
E-mail: cdfhomabaytown@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDFHOMA BAY TOWN Constituency Bankers

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

(h) Independent Auditors

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

(a) Principal Legal Adviser

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

11.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

It gives me great pleasure to present the annual report and financial statement for the year ended June 30, 2020. During the year, the entity was allocated Kshs 137,367,724 a 25.9% increase in allocation from the previous year. The entity was able to achieve most of its objectives as set out in the performance targets signed with the NGCDF Board.

As at June 30, 2020, the NGCDF Board had released 97.8% of the funds due for the year. The last tranche of Kshs 66,367,724.10 was released late and hence delayed the implementation of some projects. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure where close to 60.4 % of these funds were allocated to these initiatives.

a) Allocation to Projects

During the year, 60.4% of the funds were allocated towards the infrastructural development in government institution (25.4% to Secondary Schools and 35% to Primary Schools) while 30.2% of the funds was allocated towards other grants and transfers. The balance of the funds was allocated towards acquisition of assets (0.3%), use of goods (5.0%) and compensation of employees (4.0%) as shown below

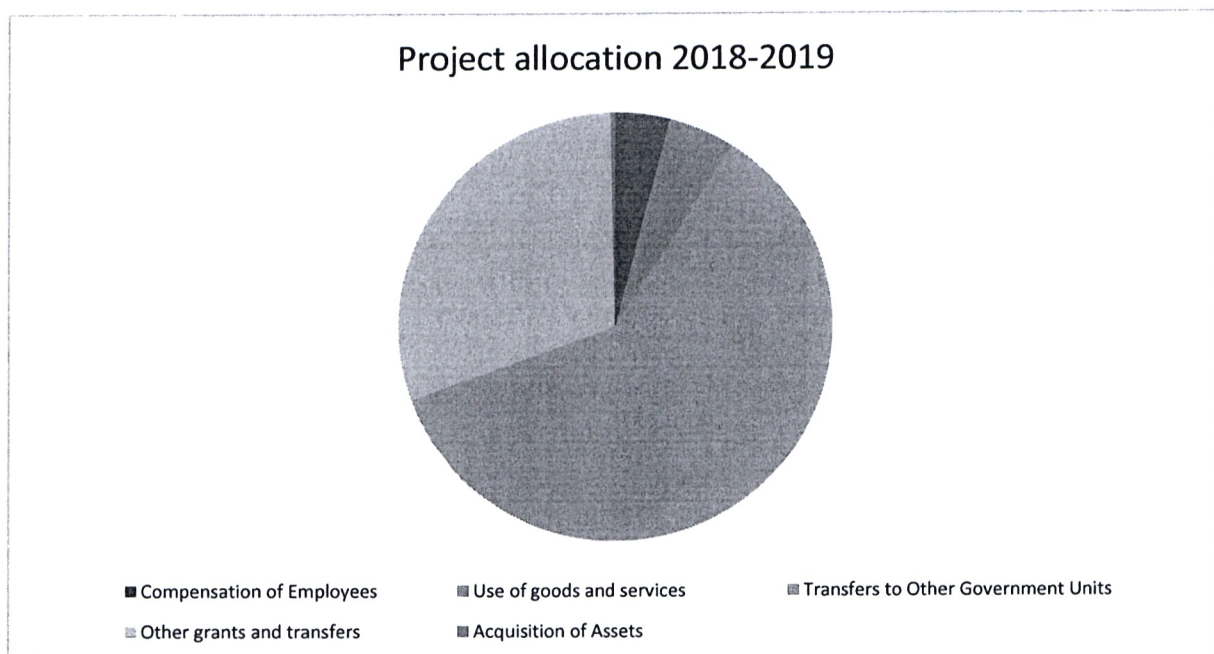


Fig 1: Analysis of allocation per sector

b) Utilization of Funds

The overall utilization of funds stood at 76.3%, a 12.3% increase from the previous financial year. The Increase in utilization was attributed to receipt of a high percentage of the funds from NGCDF Board before the closure of the financial year. Specific utilization of the funds per sector were as follows, Compensation of employees had the lowest usage at 3.6%, use of goods and services stood at 5.9%, transfer to other government units had the lion utilization at

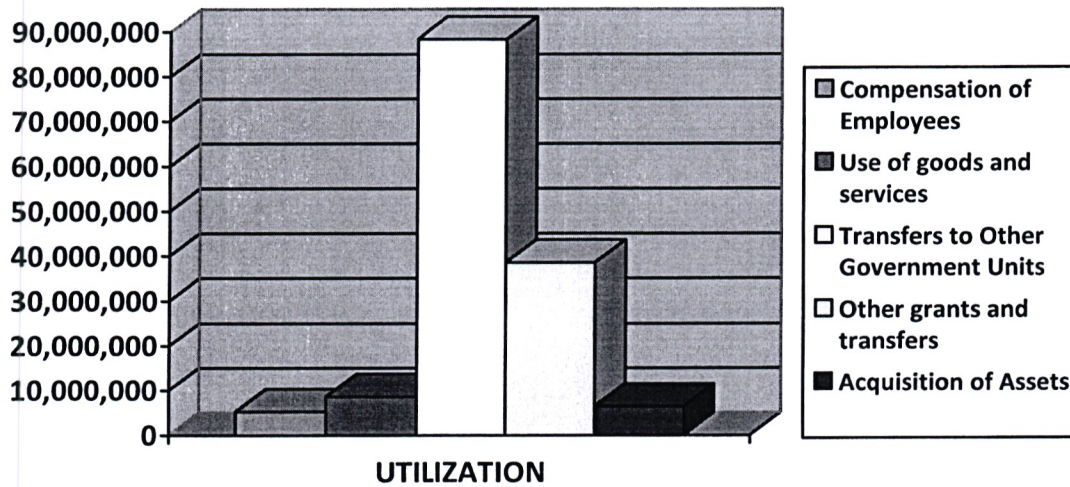
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

HOMA BAY TOWN CONSTITUENCY

Reports and Financial Statements

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59.9%, other grants and transfers at 26.2% while acquisition of assets had the second lowest utilization at 4.4% as shown in the bar graph bellow.

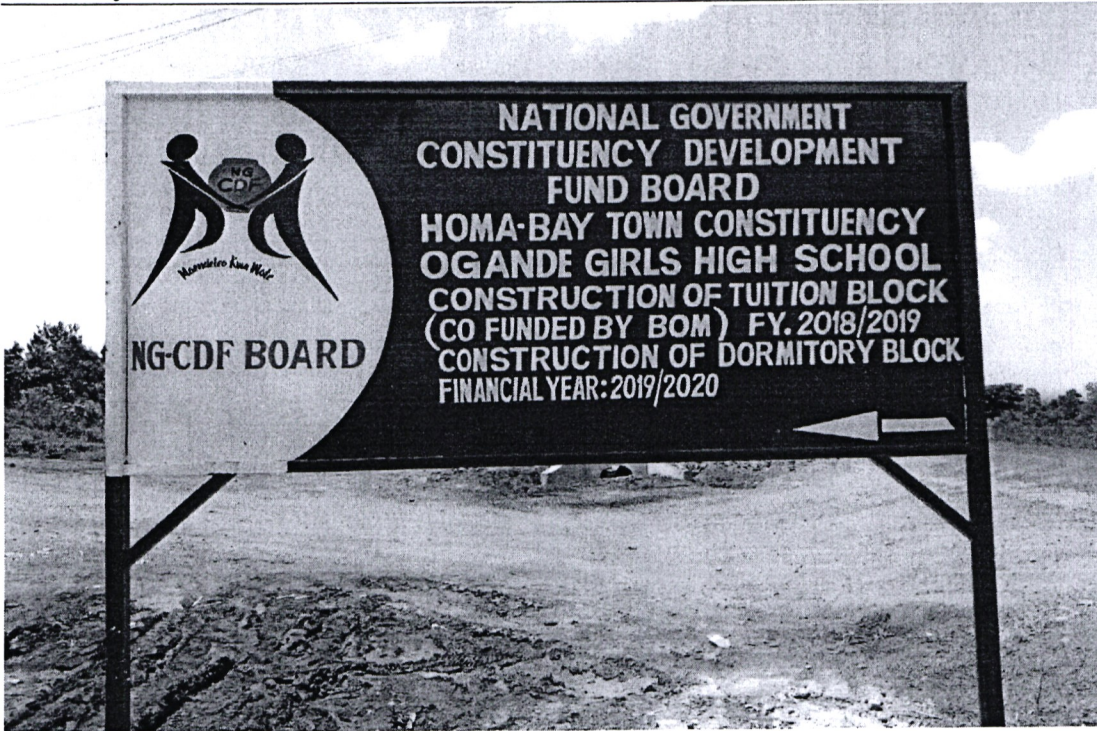


c) Key achievements of the entity

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

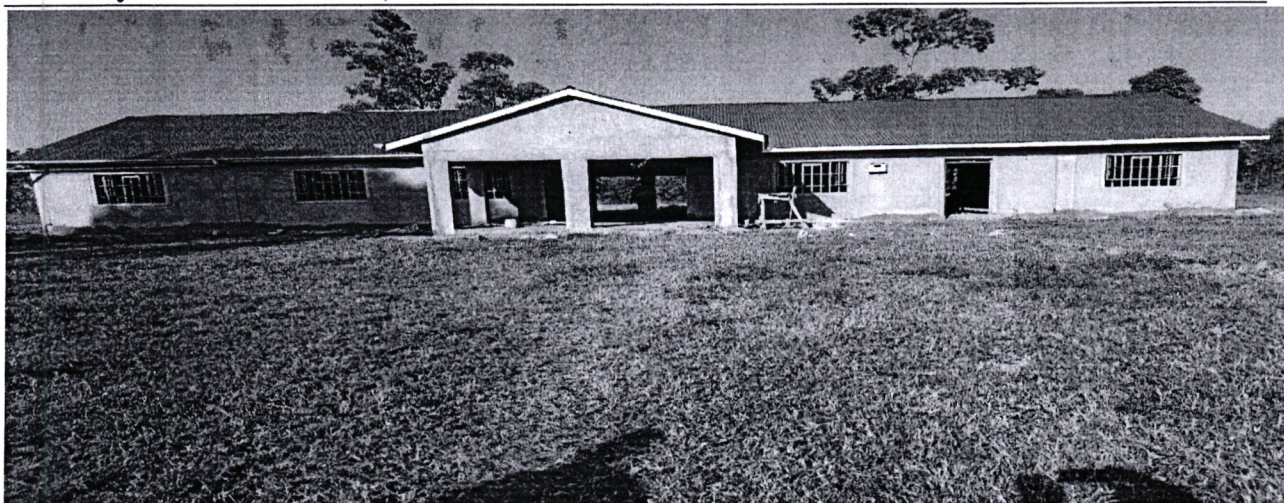
Similarly, Homa Bay town constituency has strived to attain 100% compliance to labelling of projects within the constituency with over 60% projects already labelled. A sample is attached for review.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Ogande Girls High School-construction of Girls Dormitory

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St. Pius Ndiru Mixed Secondary School-Construction of Administration Block

Disable, Youth and women empowerment, is key in development and despite the limited avenues for realization of this goal under the NGCDF framework; we ensured that 30% of our procurement budget is dedicated to this group.

Implementation Challenges

In the year under review, we faced a number of challenges in the implementation of projects. The delays in release of funds impacted negatively on the timely delivery of services to constituency. Less than enough allocation of funds to project remained a challenge that will be addressed in subsequent project proposals. Lack of office space remain a major problem in the

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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constituency with over 40 staff leaving the staff with nowhere to sit similarly lack of office vehicle poses a lot of problems in movement and conducting Monitoring and evaluation exercise with the office left with no option but to borrow from other departments.

Way Forward

With the close consultations with key stakeholders and the office of the Member of National Assembly, we have been able to achieve our goals with ease. My team and I aim to leverage the utilization of funds to ensure that the constituency is able to develop as quickly as possible while ensuring transparency and accountability in all our activities.

Thank you



.....
**MONICA AKINYI NYADIERO
CHAIRPERSON NG-CDFC**

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED

OBJECTIVES

Introduction

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

Homa Bay Town is a constituency with a clear strategic model with overarching vision and mission and the underpinning core values. This is predominantly in line with the Kenya Vision2030 whose major focus is to ensure that the standard of living of Kenyan Citizens is progressively improved.

To ensure proper planning at constituency, the National Government Constituency Development Fund Committee (NG-CDFC) of Homa Bay Town developed a five-year period Strategic plan (2018-2022). In this plan, a clear and strategic direction has been formulated through consultative and coordinated approaches that ensure efficiency and effectiveness in the management of the fund in the constituency. The plan identifies strategic issues to be pursued which includes but not limited to monitoring and evaluation/capacity building, institutional capacity, project management and governance

The key development objectives of NGCDF-Homa Bay Town Constituency's 2018-2022 plan are to:

In underscoring the above, the key development objectives of NGCDF-Homa Bay Town Constituency's 2018-2022 plan included but not limited to;

Strategic Area One: Education

Objective: To ensure institutional infrastructure development, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Construction and renovation of several classrooms, administration blocks, laboratories, dormitories and toilets both in primary and secondary schools thus providing conducive learning environment for children.

Initiative: Several needy secondary and tertiary students from the constituency have partially and fully benefited from the Bursary kitty this has ensured greater access to education thus increasing transition rate from primary to secondary to higher learning institutions.

Strategic Area Two: Water and Environment

Objective: Improve access to clean water in various education centres

Initiative: Harvesting clean water in various institutions to ensures access to clean water and to improved hygiene among students especially during this time of the noble corona virus pandemic

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) HOMA BAY TOWN CONSTITUENCY

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Strategic Area Three: Security

Objective: Construct, equip to enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and service delivery in security sector.

Progress on attainment of Strategic development objectives

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

Constituency program	Objectives	Outcome	Indicator	Performance
Education	To ensure institutional infrastructure development, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates	Construction and renovation of several classrooms, administration blocks, laboratories, dormitories and toilets both in primary and secondary schools thus providing conducive learning environment for children. Several needy secondary and tertiary students from the constituency have partially and fully benefited from the Bursary kitty this has ensured greater access to education thus increasing transition rate from primary to secondary to	Usable physical infrastructures built in primary and secondary schools Bursary beneficiaries at all levels	Increased number of administration blocks from 10 to 16 Increased the number of Classrooms from 12 to 22 Increased number of laboratories from 11 to 15 Increased number of dormitories from 2 to 4 Increased number of toilets from 5 to 9 Increased number of beneficiaries by 1,320

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) HOMA
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		higher learning institutions.		
Water and Environment	Improve access to clean water in various education centres	Harvesting clean water in various institutions to ensures access to clean water and to improved hygiene among students especially during this time of the noble corona virus pandemic	Number of tanks purchased	Increased number of 10,000 litre tanks by 20
Security	Construct, equip to enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure	Improving infrastructure and service delivery in security sector.	Usable physical infrastructures- built chief's camps and Police posts	Construction of one more police post and chief's office

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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1. SUSTAINABILITY STRATEGY AND PROFILE

The Homa Bay Town NG-CDF Committee endeavoured to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	To be a model constituency in application of National Government Constituency Development Fund for socio-economic development	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To provide transformative leadership and oversight for prudent management of all NG-CDF projects within HBTC.	This communicates what the office does to attain sustainable developments
Core Values	Commitment and team-work Advocacy for constituents participation and involvement Transparency and accountability Professionalism and integrity Neutrality and objectivity Timeliness and excellence	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

2.Environmental performance

As a way of creating environmental impact, the office purchased 14 6000litres water tanks for hand washing installed in various strategic market points for the public similarly the office took the initiative of refilling the erected water tanks regularly for the public to continue washing their hands to cut the spread of the corona virus lastly office purchased 2000 face masks distributed among her staff members and the public.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) HOMA
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3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Homa Bay Town NG-CDFC offers only categories of employment, which are

Contract employees who are employed for 5 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system.

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- 1 Job title
- 2 Main purpose of the job
- 3 A brief description of the key responsibilities of the job
- 4 Education, experience, skills and competencies required for the job
- 5 Location of the job

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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1. Clear instructions on how to apply and information to be submitted in the application
2. Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment, during organised trainings.

Staff appraisal and reward systems.

Homa Bay Town Constituency had organised a career week with an aim of training her staff to improve their skills and knowledge but the plan was never actualized in 2019/2020 financial year because of the outbreak of the corona virus which affected the whole operations as planned by the committee. However, the plan will be actualized once the ministry of health will lift the restrictions on social distancing and other relevant measures being put in place. On the other side the Homa Bay Town Constituency has asked her staff to do career progress through sending applications to Kenya School of Government for consideration for short course trainings during the calendar periods of the institutions.

4. Market place practices-

Homa Bay Town constituency embraces Competitive bidding in her procurement activities, the office advertises open tenders with 30% restricted to special groups that is youths, women and persons with disability. The works are then implemented by the PMC but are supervised by technical team consisting of public works officers, treasury officers, officers from ministry of education together with the CDFC members through monitoring and evaluation program.

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency-based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision-making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

6.0 Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

In conjunction with Kenya Pipeline Corporation the constituency purchased and distributed 30 20litres jerricans to the local community free of charge.

The office purchased 14 6000litres water tanks for hand washing installed in various strategic market points for the public

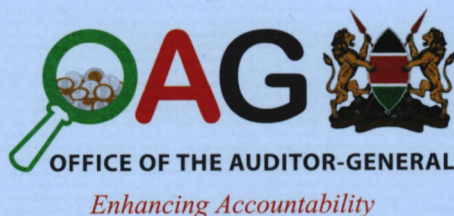
The office took the initiative of refilling the erected water tanks regularly for the public to continue washing their hands to cut the spread of the corona virus

The office purchased 2000 face masks distributed among her staff members and the public

The office developed Weekly rotational time table for the employees so as to comply with the ministry of health guideline of social distance

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – HOMA BAY TOWN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Homa Bay Town Constituency set out on pages 19 to 61, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Homa Bay Town Constituency as at 30 June, 2020, 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. Variance between Financial Statements and Supporting Documents

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects expenditure of Kshs.38,116,397 relating to other grants and transfers. Included in this amount is Kshs.6,092,050 in respect of emergency projects whose supporting documents and schedules reflected Kshs.5,687,232 leading to an unexplained and unreconciled variance of Kshs.404,818.

Consequently, the accuracy and completeness of the expenditure of Kshs.6,092,050 on the emergency projects could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects Kshs.38,116,397 in respect to other grants and other payments. Included in this amount is Kshs.24,674,939 and Kshs.2,772,000 in respect of bursaries disbursed to secondary schools and tertiary institutions respectively. However, Kshs.2,804,026 out of the total disbursed amount of Kshs.27,446,939 was un-acknowledged by the beneficiary schools and institutions. In addition, there was no evidence that the constituents were involved in the process of bursary allocation contrary to the provisions of Regulation 73(3) of the Public Finance Management Regulations (National Government) 2015 which requires that during the project identification and design, the intended beneficiaries shall be involved through public participatory approach for planning.

In the circumstance, it has not been possible to confirm whether the bursaries amounting to Kshs.2,804,026 benefited the intended beneficiaries and whether it was expended as appropriated.

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

Budgetary Performance and Controls

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.193,300,188 and Kshs.190,300,188 respectively resulting to an under-funding of Kshs.3,000,000 or 94% of the budget. Similarly, the Fund expended Kshs.146,944,898 against an approved budget of Kshs.193,300,188 resulting to an under-expenditure of Kshs.46,355,290 or 24% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Irregular Compensation of Employees

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects expenditure of Kshs.5,338,999 relating to compensation of employees. The expenditure includes an amount of Kshs.2,437,500 which was spent on payment of wages to thirty-four casual employees. However, the recruitment process did not adhere to the provisions of Circular No. CDF BOARD/CIRCULARS/VOL.II/166 dated 2 June, 2013 which stipulates that all recruitments of CDF staff shall be competitive. Advertisement for the positions was not done before the appointments were made. Further, job specifications and job descriptions of the casual workers were not provided.

In the circumstances, the validity of the expenditure of Kshs.2,437,500 could not be confirmed.

2.0 Irregular Procurement Process

2.1 Lack of Public Participation

During the year under review the Fund implemented six (6) primary school projects at a cost of Kshs.11,828,200. However, there was no evidence of all the six (6) projects ever being subjected to public participation process for identification purposes. This was contrary to the provisions of Regulation 73(3) of the Public Finance Management Regulations (National Government) 2015 which requires that during the project identification and design, the intended beneficiaries shall be involved through public participatory approach for planning. In addition, the contracts agreements for all the six (6) projects lacked specified contract duration.

In the circumstances, the Fund is in breach of the law.

2.2 Re-allocation of Funds Without Board's Approval

- i. The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other government units balance of

Kshs.88,348,200. Included in this amount is Kshs.37,448,200 relating to transfers to primary schools. This amount further includes a transfer of Kshs.800,000 to Maguje Primary School for the completion of three (3) classrooms. However, the Project Management Committee diverted the funds to construction of a new administration block. Records provided indicated that the new project for administration block was initiated by the Project Management Committee yet there was an earlier similar funding for construction of administration block in the financial year 2016/2017. The audit noted that the administration block has been constructed up to the lintel level and has since been abandoned.

- ii. Included in transfers to other government units balance of Kshs.88,348,200 is an expenditure of Kshs.50,900,000 relating to transfers to secondary schools. Of this amount is a transfer of Kshs.2,000,000 to Homa Bay High School for construction of a library which is being co-funded by PTA and the National Government Constituencies Development Fund - Homa Bay Town Constituency. However, the Project Management Committee reallocated the funds to renovation of four classrooms.
- iii. A transfer of Kshs.1,500,000 to Nyakahia Mixed Secondary School in respect of construction of administration block was reallocated by the school's Project Management Committee to construction of two (2) classrooms.
- iv. The Fund tendered for construction of administration block at the cost of Kshs.2,046,450 at Ndiru Mixed Secondary School. However, the scope of the original project was changed and resulted in an upward variation of the project cost by Kshs.3,490,895 to Kshs.5,537,345. This translates to 59% variation of the contract sum contrary to provisions of Section 139(6) of the Public Procurement and Asset Disposal Act, 2015, which states that where variation results in an increment of the contract price by more than twenty five percent (25%), such variation shall be tendered for separately.

Management did not obtain Board approvals for these projects contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015 which states that, once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

In the circumstances, the Fund is in breach of the Act.

3.0 Unlabelled Road Projects

The statement of receipts and payments for the year ended 30 June, 2020 and as disclosed in Note 7 to the financial statements reflects other grants and other payments balance of Kshs.38,116,397. Included in this amount are expenditures totaling Kshs.6,092,050 relating to emergency projects out of which an expenditure totaling Kshs.2,600,000 was incurred in construction of access roads.

Further, physical verification of the access roads projects revealed that the projects were not labelled contrary to the provision of Regulation 15(1)(f) of the National Government Constituencies Development Fund (NGCDF) Regulations, 2016 which requires the project management committee to undertake project closure, labelling and handover upon completion.

In addition, the construction works for access road to Ruga Primary School has been claimed by a different entity through a publicity signboard. The audit also observed that the emergency payments did not meet the threshold set for urgent and unforeseen need as prescribed by Section 8(3) of the Act, which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

Under the circumstances, the value for money and the regularity of Kshs.2,600,000 for the year ended 30 June, 2020 could not be confirmed.

4.0 Delay in Completion of Projects

4.1 Primary Schools Projects

Included in transfer to other governments units balance of Kshs.88,348,200 are payments totaling Kshs.37,448,200 relating to transfers to primary schools. The amount also includes payments amounting to Kshs.11,828,200 to six (6) primary schools for various projects. As at the time of audit in January, 2021 all the projects were incomplete 18 months the project funds/cheques were released on 11 July, 2019.

4.2 Secondary Schools Projects

Included in transfer to other governments units balance of Kshs.88,348,200 are payments totaling Kshs.50,900,000 relating to transfers to secondary schools. This amount includes disbursements totaling Kshs.19,930,504 to six (6) secondary schools for implementation of various projects which remain incomplete.

The slow pace of implementation of projects may negatively affect service delivery to the constituents of Homa Bay Town and the intended purpose of the projects may not be actualized.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 noncompliance. 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 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 Gatirigu, CBS
AUDITOR-GENERAL

Nairobi

14 February, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HOMA BAY TOWN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	142,363,930	132,096,394
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	134,000	2,000
TOTAL RECEIPTS		142,497,930	132,098,394
PAYMENTS			
Compensation of employees	4	5,338,999	4,173,416
Use of goods and services	5	8,690,307	7,021,161
Transfers to Other Government Units	6	88,348,200	59,503,817
Other grants and transfers	7	38,116,397	34,018,446
Acquisition of Assets	8	6,450,996	1,834,199
Other Payments	9	-	2,455,200
TOTAL PAYMENTS		146,944,898	109,006,239
SURPLUS/DEFICIT		(4,446,968)	23,092,155

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-HOMA BAY TOWN Constituency financial statements were approved on 25/8 2020 and signed by:

25 AUG 2020


Fund Account Manager
 Name: Kennedy Chacha



Sub-County Accountant
 Name: Augustine Michael Otieno
 ICPAK Member Number: 20477

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HOMA BAY TOWN CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

V. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	43,998,291	47,802,258
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		43,998,291	47,802,258
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		43,998,291	47,802,258
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL ASSETS		43,998,291	47,802,258
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	47,802,258	19,645,425
Surplus/Deficit for the year		(4,446,968)	23,092,155
Prior year adjustments	14	643,000	5,064,678
NET FINANCIAL POSITION		43,998,290	47,802,258
Cash and Cash Equivalents			

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-HOMA BAY TOWN Constituency financial statements were approved on 25/8/2020 2020 and signed by:

Kennedy Chacha
Fund Account Manager
Name: Kennedy Chacha

Augustine Michael Otieno
Sub-County Accountant
Name: Augustine Michael Otieno
ICPAK Member Number: 20477

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HOMA BAY TOWN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020


VI. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	142,363,930	132,096,394
Other Receipts	3	134,000	2,000
		142,497,930	132,098,394
Payments for operating expenses			
Compensation of Employees	4	5,338,999	4,173,416
Use of goods and services	5	8,690,307	7,021,161
Transfers to Other Government Units	6	88,348,200	59,503,817
Other grants and transfers	7	38,116,397	34,018,446
Other Payments	9	-	2,455,200
Total Payments		140,493,902	107,172,040
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	643,000	5,064,678
Net Adjustments		643,000	5,064,678
Net cash flow from operating activities		2,647,028	29,991,032
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	6,450,996	1,834,199
Net cash flows from Investing Activities		(6,450,996)	(1,834,199)
NET INCREASE IN CASH AND CASH EQUIVALENT		(3,803,968)	28,156,833
Cash and cash equivalent at BEGINNING of the year	13	47,802,258	19,645,425
Cash and cash equivalent at END of the year		43,998,290	47,802,258

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-HOMA BAY TOWN Constituency financial statements were approved on 28/5/20 2020 and signed by:

28/5/2020
Fund Account Manager
Name: Kennedy Chacha

Fund Account Manager
 P.O. BOX 240 HOMA BAY, 41000
 cdthomabaytown@ngcdf.go.ke


Sub-County Accountant
Name: Augustine Michael Otieno
ICPAK Member Number: 20477

Reports and Financial Statements
For the year ended June 30, 2020

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	55,798,464	193,166,188	190,166,188	3,000,000	98.4%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts (AIA)		134,000	134,000	134,000	-	100.0%
TOTAL RECEIPTS	137,367,724	55,932,464	193,300,188	190,300,188	3,000,000	98.4%
PAYMENTS						
Compensation of Employees	5,524,000	525,171	6,049,171	5,338,999	710,173	88.3%
Use of goods and services	6,839,092	3,705,954	10,545,046	8,690,307	1,854,739	82.4%
Transfers to Other Government Units	83,077,246	38,828,200	121,905,446	88,348,200	33,557,246	72.5%
Other grants and transfers	41,447,386	6,134,339	47,581,725	38,116,397	9,465,328	80.1%
Acquisition of Assets	480,000	6,260,000	6,740,000	6,450,996	289,004	95.7%
Other Payments	0	344,800	344,800	-	344,800	0.0%
	0	134,000	134,000	0	134,000	0.0%
TOTAL	137,367,724	55,932,464	193,300,188	146,944,898	46,355,290	76.0%

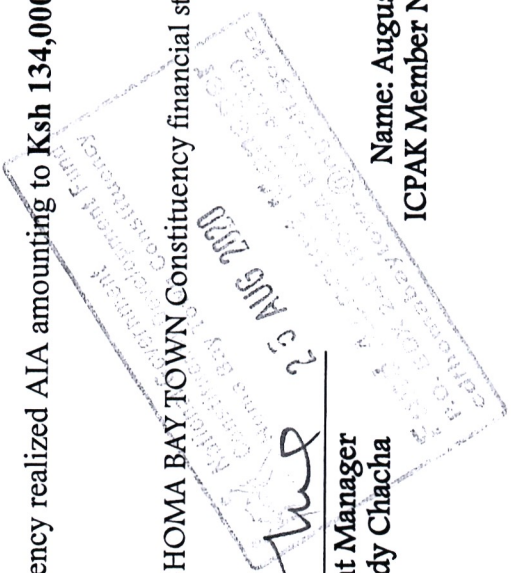
**UNION GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HOMA BAY TOWN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

- a. Funds received in the financial year 2019/2020 that were meant for previous financial year were **Kshs. 1,736,205.90** for 2017/2018 while for 2018/2019 financial year is **Ksh 6,260,000.00**
- b. The utilization of Compensation to employees, Use of Goods and Services, Transfers to other Government Units and Other Grants and Transfers, were below 90% due to late receipt of funds from the NGCDF Board. The constituency received 2nd half disbursement of **Kshs 66,367,724.10** on June 20, 2020.
- c. The constituency realized AIA amounting to **Ksh 134,000** from sale of tender and charges from hall hire.

The NGCDF-HOMA BAY TOWN Constituency financial statements were approved on 25/8/ 2020 and signed by:


Fund Account Manager
Name Kennedy Chacha


Sub-County Accountant
Name: Augustine Michael Otieno
ICPAK Member Number: 20477



Reports and Financial Statements
For the year ended June 30, 2020

I. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	5,524,000.00	525,171	6,049,171.00	5,338,999	710,173
1.2 Committee allowances	1,192,000.00	625,250	1,817,250.00	2,606,726.50	(789,476.50)
1.3 Use of goods and services	1,526,060.00	872,320	2,398,380.00	2,634,580.00	(236,200.00)
Sub Total	8,242,060.00	2,022,741.00	10,264,801.00	10,580,305	(315,504.00)
2.0 Monitoring and evaluation					
2.1 Capacity building	1,937,804.70	801,982	2,739,786.70	801,982.00	1,937,804.70
2.2 Committee allowances	1,105,000.00	550,000	1,655,000.00	1,343,780.00	311,220.00
2.3 Use of goods and services	1,078,277.00	856,402	1,934,679.00	1303238	631,441.00
Sub Total	4,121,081.70	2,208,384.00	6,329,465.70	3,449,000.00	2,880,465.70
3.0 Emergency					
	7,198,191.42	2,307,540.00	9,505,731.42	6,092,050.00	3,413,681.42
Sub Total	7,198,191.42	2,307,540.00	9,505,731.42	6,092,050.00	3,413,681.42
4.0 Bursary and Social Security					
Primary Schools	-	0	-	0	-
Secondary Schools	23,150,000.00	0	23,150,000.00	25,143,000.00	(1,993,000.00)

MAUNIMBU GOVERNMENT UTILITIES DEVELOPMENT FUND (MUGDF) – HUMA BAY TOWN CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual comparable basis 30/06/2020	Budget utilization difference
Tertiary Institutions University and colleges	3,370,145.04	0	3,370,145.04	2,772,000.00	598,145.04
Special schools	400,000.00	0	400,000.00	82,451.00	317,549.00
Sub Total	26,920,145.04	-	26,920,145.04	27,997,451.00	(1,077,305.96)
5.0 Sports					
	1,220,000.00	1,090,593.00	2,310,593.00	-	2,310,593.00
Sub Total	1,220,000.00	1,090,593.00	2,310,593.00	-	2,310,593.00
6.0 Environment					
	2,000,000.00	2,736,205.90	4,736,205.90	3,822,886.00	913,319.90
Sub Total	2,000,000.00	2,736,205.90	4,736,205.90	3,822,886.00	913,319.90
7.0 Primary Schools Projects (List all the Projects)					
Adongo Primary School	0	1,000,000.00	1,000,000.00	1,000,000.00	
Watata Primary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Kambeke Primary School	-	200,000.00	200,000.00	200,000.00	-
Kambeke Primary School	-	300,000.00	300,000.00	300,000.00	-
Wobiero Primary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Wahambila Primary School	-	500,000.00	500,000.00	500,000.00	-
Shauri Yako Primary	-	500,000.00	500,000.00	500,000.00	-
Pedo Primary School	-	1,500,000.00	1,500,000.00	1,500,000.00	-
Lake Primary	-	2,000,000.00	2,000,000.00	2,000,000.00	-
Ndiru Primary	-	1,328,200.00	1,328,200.00	1,328,200.00	-

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual comparable basis 30/06/2020	Budget utilization difference
Nyauu Primary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Nyakune Primary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Nyanguu Primary	-	500,000.00	500,000.00	500,000.00	-
VAT (Opande Rarage Primary)	-	77,586.20	77,586.20	77,586.20	-
Investwise Ltd (Opande Rarage Primary)	-	-	-	-	-
Wiobiero Primary School	-	1,422,413.80	1,422,413.80	1,422,413.80	-
Transsony Ltd (Rodi Primary)	-	1,000,000.00	1,000,000.00	1,000,000.00	-
VAT (Rodi Primary)	-	470,000.00	470,000.00	470,000.00	-
Transsony Ltd (Rodi Primary)	-	30,000.00	30,000.00	30,000.00	-
Transsony Ltd (Rodi Primary)	-	568,966.00	568,966.00	568,966.00	-
VAT (Rodi Primary)	-	31,034.00	31,034.00	31,034.00	-
Kuja primary school	110,000.00	-	110,000.00	110,000.00	-
Nyakune Primary School	500,000.00	-	500,000.00	500,000.00	-
pala masogo primary school	160,000.00	-	160,000.00	160,000.00	-
Hon kaluma kotewa primary	500,000.00	-	500,000.00	500,000.00	-
Kambeke Primary School	200,000.00	-	200,000.00	200,000.00	-
Pedo Primary School	300,000.00	-	300,000.00	300,000.00	-
wiamen primary school	150,000.00	-	150,000.00	150,000.00	-
Olodo Primary School	300,000.00	-	300,000.00	300,000.00	-
Ogande Special School	2,300,000.00	-	2,300,000.00	2,000,000	300,000
Transsony Limited (Rodi Primary)	-	393,103.00	393,103.00	393,103.00	-
Transsony Ltd (VAT) (Rodi Primary)	-	6,897.00	6,897.00	6,897.00	-
Nyauu Primary School	1,200,000.00	-	1,200,000.00	1,200,000.00	-
kogello kalanya Primary	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Lieta Kabunde Primary	700,000.00	-	700,000.00	700,000.00	-
Ndiru Primary	1,200,000.00	-	1,200,000.00	1,200,000.00	-
Lake Primary	600,000.00	-	600,000.00	600,000.00	-
Watata Primary School	500,000.00	-	500,000.00	500,000.00	-

Reports and Financial Statements
For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual comparable basis 30/06/2020	Budget utilization difference
Wiga Primary	500,000.00	-	500,000.00	500,000.00	-
Wobiero Primary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Pundo Kalanya Primary	500,000.00	-	500,000.00	500,000.00	-
Masakla Primary	700,000.00	-	700,000.00	700,000.00	-
Lorateng Primary	500,000.00	-	500,000.00	500,000.00	-
Manga Primary	500,000.00	-	500,000.00	500,000.00	-
Obuanda Osum	491,228.00	-	491,228.00	491,228.00	-
VAT (Obuanda Osum)	8,772.00	-	8,772.00	8,772.00	-
Langoromo Primary	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Maguje Primary	800,000.00	-	800,000.00	800,000.00	-
Otaro Primary	700,000.00	-	700,000.00	700,000.00	-
Yao Primary	500,000.00	-	500,000.00	500,000.00	-
Roba Primary	500,000.00	-	500,000.00	500,000.00	-
Muche Primary	500,000.00	-	500,000.00	500,000.00	-
Radiro Primary	500,000.00	-	500,000.00	500,000.00	-
Adongo Primary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Arujo Primary	500,000.00	-	500,000.00	500,000.00	-
Orego primary	500,000.00	-	500,000.00	500,000.00	-
Nyanguu Primary School	500,000.00	-	500,000.00	500,000.00	-
Kijawa Primary	500,000.00	-	500,000.00	500,000.00	-
Opande Rarage Primary	500,000.00	-	500,000.00	500,000.00	-
Homa Bay Primary	1,500,000	-	1,500,000.00	0	1,500,000
Kopiyo Primary	700,000	-	700,000.00	-	700,000
Ndiru Primary	3,600,000	-	3,600,000.00	-	3,600,000
Nduta Primary	550,000	-	550,000.00	-	550,000
Ngere Primary	1,500,000	-	1,500,000.00	-	1,500,000
Ogongo Katuma Primary	500,000	-	500,000.00	-	500,000
Pap Ndege Primary	500,000	-	500,000.00	-	500,000

Reports and Financial Statements
For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual comparable basis 30/06/2020	Budget utilization difference
Rodi Primary	2,500,000	-	2,500,000.00	-	2,500,000
Rodi Primay	1,500,000	-	1,500,000.00	-	1,500,000
School Desks	3,407,246.10	-	3,407,246.10	-	3,407,246.10
Adingo Primary School	3,000,000.00	-	3,000,000.00	-	3,000,000.00
Shaui Yako Primary	7,000,000	-	7,000,000.00	-	7,000,000
Sub Total	48,177,246.10	15,828,200.00	64,005,446.10	37,448,200.00	26,557,246.10
8.0 Secondary Schools Projects (List all the Projects)					
Maguti Mixed secondary	-	500,000.00	500,000.00	500,000.00	-
Langoromo Mixed Secondary	-	2,000,000.00	2,000,000.00	2,000,000.00	-
St Theresas Nyauu Girls	-	2,000,000.00	2,000,000.00	2,000,000.00	-
St Pius Niru Secondary	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Ruga Mixed Secondary	-	500,000.00	500,000.00	500,000.00	-
Nyakahia Mixed Secondary	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Nyalkinyi Mixed Secondary	-	1,500,000.00	1,500,000.00	1,500,000.00	-
Ngere Mixed Mixed Secondary	-	500,000.00	500,000.00	500,000.00	-
Wiobiero Mixed Secondary	-	1,500,000.00	1,500,000.00	1,500,000.00	-
St Ambrose Got Rabuor Secondary	-	1,500,000.00	1,500,000.00	1,500,000.00	-
St Dominic Wiga Mixed Secondary	-	1,500,000.00	1,500,000.00	1,500,000.00	-
Rabuor Masawa Mixed Secondary	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Riwa Secondary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Pala Masogo Mixed Secondary	-	500,000.00	500,000.00	500,000.00	-
Pap Ndege Mixed Secondary	-	500,000.00	500,000.00	500,000.00	-
Kuja Mixed Secondary	-	500,000.00	500,000.00	500,000.00	-
St Joseph Sero Mixed Secondary	-	500,000.00	500,000.00	500,000.00	-
Gogo Katuma Mixed Secondary	-	1,000,000.00	1,000,000.00	1,000,000.00	-

Reports and Financial Statements
For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual comparable basis 30/06/2020	Budget utilization difference
Lala Mixed Secondary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Ogande Special School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
St Marys Maindi Girls	-	1,500,000.00	1,500,000.00	1,500,000.00	-
Homa Bay High School	-	2,000,000.00	2,000,000.00	2,000,000.00	-
Ogande Girls High School	-	1,500,000.00	1,500,000.00	1,500,000.00	-
Ogande Girls High School	-	500,000.00	500,000.00	500,000.00	-
St Ambrose Got Rabuor Secondary	200,000.00	-	200,000.00	200,000.00	-
Lala Mixed Secondary School	500,000.00	-	500,000.00	500,000.00	-
st camillus ojuje Mixed sec School	500,000.00	-	500,000.00	500,000.00	-
Ruga Mixed Secondary	1,000,000.00	-	1,000,000.00	1,000,000.00	-
St pius Ndiru Secondary	2,200,000.00	-	2,200,000.00	2,200,000.00	-
Ogande Girls High School	3,500,000.00	-	3,500,000.00	3,500,000.00	-
Bishop Okulu Magare Girls	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Langoromo Mixed Secondary	1,500,000.00	-	1,500,000.00	1,500,000.00	-
St Theresas Nyauu Girls	1,500,000.00	-	1,500,000.00	1,500,000.00	-
Gogo Katuma Mixed Secondary	500,000.00	-	500,000.00	500,000.00	-
Pap Ndege Mixed Secondary	200,000.00	-	200,000.00	200,000.00	-
Kuja Mixed Secondary	1,700,000.00	-	1,700,000.00	1,500,000.00	200,000.00
Nyalkinyi Mixed Secondary	1,500,000.00	-	1,500,000.00	1,000,000.00	500,000.00
St Peters Disii Mixed Sec	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Riwa Secondary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Bishop Ochiel Otaro	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Nyagidha Mixed Secondary	800,000.00	-	800,000.00	800,000.00	-
Nyakahia Mixed Secondary	500,000.00	-	500,000.00	500,000.00	-
Chiga Mixed Secondary	1,500,000.00	-	1,500,000.00	500,000.00	1,000,000.00
Maguti Mixed secondary	500,000.00	-	500,000.00	500,000.00	-
Wiobiero Mixed Secondary	3,000,000.00	-	3,000,000.00	3,000,000.00	-
St Dominic Wiga Mixed Secondary	1,500,000.00	-	1,500,000.00	1,500,000.00	-

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual comparable basis 30/06/2020	Budget utilization difference
Ngere Mixed Mixed Secondary	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Homa Bay High School	3,000,000.00	-	3,000,000.00	-	3,000,000.00
Pala Masogo Secondary School	500,000.00	-	500,000.00	-	500,000.00
Rabuor Masawa Secondary	1,000,000.00	-	1,000,000.00	-	1,000,000.00
St Joseph Sero Mixed Secondary School	2,800,000.00		2,800,000.00	-	2,800,000.00
	34,900,000.00	26,000,000.00	60,900,000.00	50,900,000.00	9,000,000.00
9.0 Tertiary institutions Projects (List all the Projects)					
Sub Total					
10.0 Security Projects					
Homa Bay Police Headquarter	1,009,000.00	-	1,009,000.00	-	1,009,000.00
Kabunde Chiefs Office	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Kalanya Kanyango Chief Office	800,000.00	-	800,000.00	-	800,000.00
Kanyabala Chief Office	300,000.00	-	300,000.00	300,000.00	-
Rodi Police Post	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Sub Total	4,109,000.00	-	4,109,000.00	300,000.00	3,809,000.00
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	480,000.00	300,000.00	780,000.00	297,000.00	483,000.00
11.2 Construction of CDF office	0	6,260,000.00	6,260,000.00	6,153,996.00	206,004
11.3 Purchase of furniture and equipment	0	0	0	0	0
11.4 Purchase of computers	0	0	0	0	0
11.5 Purchase of land	0	0	0	0	0
Sub Total	480,000.00	6,660,000.00	7,140,000.00	6,450,996.00	689,004.00

Reports and Financial Statements
For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual comparable basis 30/06/2020	on	Budget utilization difference
Electricity						
	-	-	-	152,071.00		(152,071.00)
12.0 Others						
12.1 Strategic Plan	0	344,800.00	344,800.00	0		344,800.00
12.2 Innovation Hub	0	0	0	0		0
Sub Total	0	344,800.00	344,800.00	0		344,800.00
13. Unallocated Funds						
	0	134,000	134,000	0		134,000
Sub Total	0	134,000	134,000	0		134,000
Grand Total	137,367,724	55,932,464	193,300,188	146,944,898		46,355,290

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

II. 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 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-Homa Bay Town Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they 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 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HOMA-BAY TOWN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

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

11. 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 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.

12. Reporting Entity

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

13. 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.

14. 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.

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Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

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In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HOMA-BAY TOWN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

15. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity 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.

16. 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year.

17. 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.

18. Accounts Payable

For the purposes of these financial statements, deposits 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

19. 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 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 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.

20. 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.

SIGNIFICANT ACCOUNTING POLICIES

21. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

22. Comparative Figures

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

23. 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 2020.

24. Errors

Material prior period errors shall be 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.

25. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HOMA-BAY TOWN CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2020**

III. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	AIE NO	2019-2020	2018-2019
		Kshs	Kshs
NGCDF BOARD	B005031		11,379,310
NGCDF BOARD	B030310		19,936,208
NGCDF BOARD	B030243		10,000,000
NGCDF BOARD	B030399		15,000,000
NGCDF BOARD	B006340		6,000,000
NGCDF BOARD	A699102		11,000,000
NGCDF BOARD	B042742		12,000,000
NGCDF BOARD	B041009		46,780,876
NGCDF BOARD	B047318	6,260,000.00	
NGCDF BOARD	B047420	4,000,000.00	
NGCDF BOARD	B041460	20,000,000.00	
NGCDF BOARD	B047892	9,000,000.00	
NGCDF BOARD	B049270	17,000,000.00	
NGCDF BOARD	B104292	18,000,000.00	
NGCDF BOARD	B09680	1,736,205.90	
NGCDF BOARD	B096751	66,367,724.10	
TOTAL		142,363,930	132,096,394

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
	-	-
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HOMA-BAY TOWN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts from Sale of tender documents	129,000	2,000
Other Receipts Not Classified Elsewhere(Hall hire)	5,000.00	-
Total	134,000	2,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	5,211,134	4,053,056
Personal allowances paid as part of salary	-	
Pension and other social security contributions (Gratuity)	-	
Employer Contributions Compulsory national social security schemes	127,865	120,360
Total	5,338,999	4,173,416

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
HOMA-BAY TOWN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	625,450	0
Electricity	130,000	0
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	344,215	60,400
Domestic travel and subsistence	561,010	764,600
Printing, advertising and information supplies & services	66,702	65,763
Rentals of produced assets	5,200	75,120
Training expenses	291,400	553,460
Hospitality supplies and services	318,520	0
Other committee expenses	2,823,600	1,115,376
Committee allowance	649,000	3,588,000
Insurance costs	-	-
Specialised materials and services	38,800	-
Office and general supplies and services	930,915	656,142
Fuel , oil & lubricants	27,110	6,000
Other operating expenses	1,869,885	88,300
Bank service commission and charges	0	40,000
Other Operating Expenses	-	-
Other Operating Expenses	-	-
Routine maintenance - vehicles and other transport equipment	0	0
Routine maintenance- other assets	8,500	8,000
TOTAL	8,690,307	7,021,161

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to Primary Schools (see attached list)	37,448,200	33,611,849
Transfers to Secondary Schools (see attached list)	50,900,000	25,891,968
Transfers to Tertiary Institutions (see attached list)	-	-
Transfers to Health Institutions	0	
TOTAL	88,348,200	59,503,817

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary - Secondary	24,674,939	27,448,000
Bursary -Tertiary	2,772,000	472,000
Bursary- Special Schools	82,451	-
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	152,071	-
Security	300,000	-
Roads and Bridges	120,000	-
Sports	100,000	2,873,200
Environment	3,822,886	403,100
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	6,092,050	2,822,146
TOTAL	38,116,397	34,018,446

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	6,153,996.00	316,549.00
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	297,000.00	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	0	915,250
Purchase of computers ,printers and other IT equipments	-	602,400
Purchase of photocopier	-	-
Purchase of other office equipment	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	6,450,996	1,834,199

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic Plan	-	2,455,200
ICT Hubs	-	-
		-
TOTAL		2,455,200

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10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank -Homa Bay Branch-Homa Bay Town NG-CDF, A/C no.0980261595074</i>	43,998,291	47,802,258
Total	43,998,291	47,802,258
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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 or Institution</i>	dd/mm/yy		-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

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

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
	-	-
Total		-

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate	-	
Total		-

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	47,802,258	19,645,425
Cash in hand		
Imprest		
Total	47,802,258	19,645,425

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustment	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs		Kshs
Bank accounts balances	47,802,258	643,000	48,445,258
Cash in hand	-		-
Accounts Payable	-		-
Receivables	-		-
Others (specify)	-		-
Total	47,802,258	643,000	48,445,258

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year ©	-	-
Net changes in accounts receivables (D=A+B-C)	-	-

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16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Net changes in accounts payable (D=A+B-C)	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	-	-
Others (specify)	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	710,173	525,171.00
Use of goods and services	1,854,739	2,129,207.00
Amounts due to other Government entities (see attached list)	33,557,246	39,472,659.00
Amounts due to other grants and other transfers (see attached list)	9,465,328	6,958,778.00
Acquisition of assets	289,004	6,665,850.00
Others (<i>specify</i>)	344,800	344,800.00
Unallocated funds	134,000	
Cheques reversed but not replaced	643,000	
TOTAL	46,998,290	56,096,465.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	28,512,182.00	8,163,458.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HOMA BAY TOWN CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
Construction of buildings					
3.					
4.					
5.					
Sub-Total					
Construction of civil works					
6.					
7.					
8.					
Sub-Total					
Supply of goods					
9.					
10.					
11.					
Sub-Total					
Supply of services					
12.					
13.					
14.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HOMA BAY TOWN CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HOMA BAY TOWN CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Payment of all benefits accruing to all the NG-CDF staffs	710,173.00	525,171	Unspent balance
Sub-Total		710,173.00	525,171	
Use of goods & services	Payment of committee siting allowances and other allowances to the NG-CDF members, M&E, Capacity building and other office utilities	1,854,739.00	2,159,207	Unspent balance
Sub-Total		1,854,739.00	2,159,207	
Amounts due to other Government entities				
Primary Schools	Primary schools infrastructural improvement	24,557,246.10	15,828,200	Unutilized balance and Project conditionally approved by the NG-CDF board funds not yet released
Secondary Schools	Secondary schools infrastructural improvement	9,000,000.00	26,000,000	Unutilized balance
Sub-Total		33,557,246.10	41,828,200	
Amounts due to other grants and other transfers				
		9,465,328.00	6,958,778	Unspent balance
Sub-Total		9,465,328.00	6,958,778	
Acquisition of assets	Funds for Purchase of office Motorcycle	289,004.00	6,665,850	Unspent balance
Sub-Total		289,004.00	6,665,850	Unspent balance

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Others (specify)				
Strategic plan	Development of a strategic plan	344,800	344,800	Funds to be released on delivery of the document
Sub-Total		344,800	344,800	
Unallocated Funds	AIA raised from sales of tender and Hall hire charges	134,000.00	-	
Sub-Total		134,000.00	-	
Reversed cheques and not replaced		643,000		
Sub-Total		643,000		
Grand Total		46,998,290		

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kuja Primary School	Equity	0980266196092	1,120.00	1,120.00
Maguti Primary School	Equity	0980264228556	515,870.00	515,870.00
Majiwa Primary School	Equity	0980268442199	5,000.00	5,000.00
Marindi AP Camp	Equity	0980267403951	480.00	480.00
Marindi Health Centre	Equity	0980262785730	7,348.00	7,348.00
Nyakahia Primary School	Equity	0980264454863	1,560.00	1,560.00
Nyatago kachar	Equity	0980261754595	5,285.00	5,285.00
Rangwena Primary School	Equity	0980261799747	1,725.00	1,725.00
Rodi Chief's camp	Equity	0980266152463	7,370.00	7,370.00
Rodi Primary School	Equity	0980262623835	3,145.00	3,145.00
Sero Primary School	Equity	0980263669075	1,700.00	1,700.00
St Marys Marindi Girls	Equity	0980262152807	8,020.00	8,020.00
St. Patrick Makongeni Primary	Equity	0980261737570	785.00	785.00
Shauri Yako Primary	Equity	0980278904589	1,400.00	499,880.00
Watata Primary	Equity	0980261736854	211,441.00	1,801.00
Ndiru Primary	Equity	0980262088557	341,905.00	4,515.00
Nyanguu Primary	Equity	0980261732727	3,860.00	1,100.00
Kambeke Primary	Equity	0980261593903	12,786.00	266.00
Bishop Okulu Magare Girls	Equity	0980277829282	923,071.70	3,568,276.00
Arunda Primary	Equity	0980261746780	475.00	26,475.00
Wiobiero Secondary School	Equity	0980262667929	3,008,460	11,260.00
Lake Primary	Equity	0980262534689	170,994.00	5,166.00
Bishop Ochiel Otaru Secondary	Equity	098026758847	1,025,062.50	1,096,637.50
Nyalkinyi Mixed Secondary School	Equity	0980262637125	1,043,630.00	1,740.00
Ogande Girls Secondary School	Equity	0980262300238	3,539,891.00	543,701.00

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Pala Masogo Mixed Secondary School	Equity	0980263676095	40,640.00	1,001,000.00
Nyagidha Mixed Secondary School	Equity	0980266406972	803,880.00	600,240.00
St Dominic Wiga Secondary	Equity	0980261767294	1,509,970.30	330.30
Chiga Mixed Secondary School	Equity	0980261768889	24,372.00	1,015,889.00
St Theresas Nyauu	Equity	0980262200124	1,023,210	84,030.00
Kuja Mixed Secondary School	Equity	0980266141178	1,505,330.00	1,000,330
Ogande Mixed	Equity	0980263579492	4,525.00	4,525.00
Nyalkinyi Secondary School	Equity	0980263530538	1,820.00	1,820.00
Nyakune Primary	Equity	0980261743690	53,050.00	2,810.00
St Ambrose Got Rabuor Mixed	Equity	0980261743690	11,845.00	7,325.00
St Peters Disii Secondary	Equity	098026278419	1,003,515.00	1,001,815.00
Ojunge Mixed Secondary School	Equity	0980276554963	920.00	1,1380.00
Homa Bay High School	Equity	0980278813036		
Homa Bay Primary	Equity	0980271097763	1,125.00	1,125.00
Majiwa Primary	Equity	0980263676095	5,000.00	5,000.00
Ngere Mixed Secondary	Equity	0980261759721	20,322.15	40,332.15
Arujo Primary School	Equity	0980262522607	504,680.00	4,680.00
Kaluma Kotewa Primary School	Equity	0980262522607	19,462.00	1,00,191.00
Kijawa Primary School	Equity	098026340645	340.00	340.00
Opande Rarage Primary	Equity			
Kopiyo Primary School	Equity	0980261739112	1,260.00	1,260.00
Lieta Kabunde Primary School	Equity	0980264382324	700,200.00	200.00
Loorateng Primary School	Equity	0980264382384	507,340.00	7,340.00
Maguje Primary School	Equity	0980261738862	57,552.10	57,552.10
Manga Primary School	Equity	0980279923926	0.00	0.00

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Masakla Primary School	Equity	0980264413334	202,367.00	202,367.00
Muche Primary School	Equity	0980264413334	502,725.00	2,725.00
Nduta Primary School	Equity	0980299711771	724.55	724.55
Ngere Primary School	Equity	0980261759831	2,364.00	2,364.00
Nyauu Primary School	Equity	0980268395917	1,153,153.30	472,.85
Ogande Special School	Equity	0980266236187	18,731.00	253,971.00
Ogongo Katuma Primary School	Equity	0980261773246	152.50	152.50
Olodo Primary School	Equity	0980268454675	301,380.00	1,380.00
Opande Rarage Primary School	Equity			
Orego Primary School	Equity	0980263840143	506,160.00	6,160.00
Otaro Primary School	Equity	0980279897147	700,000.00	0.00
Pala Masogo Primary School	Equity	0980265668925	2,780.00	2,780.00
Pundo Kalanya Primary School	Equity	0980261736094	502,130.00	2,130.00
Radiro Primary School	Equity	0980266276075	515,479.00	15,479.00
Roba Primary School	Equity	0980261733354	39,445.00	315.00
Rodi Primary School	Equity	0980261736094	39,445.00	39,445.00
Wiga Primaryschool	Equity	0980269136926	500,111.00	111.90
Wiamen Primary School	Equity	0980266085074	1,450.00	1,450.00
Yao Primary School	Equity	0980263875593	500,435.00	435.00
Kanyabala Chiefs Office	Equity	0980264467243	8,710.00	6,510.00
Total			28,512,182. 00	

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve issue and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
01	Un procedural hiring of casual employees	NG-CDF act does not give guidelines on the number of employees to be engaged hence leaving the widow for the NG-CDFC to determine.	Kipngetich Langat,FAM	Resolved	
02	Construction of access roads is not a national government function.	There is a provision in the NGCDF act that provides that roads leading to schools fall under the domain of the fund	Kipngetich Langat,FAM	Resolved	
03	Incomplete construction of classrooms and laboratories in secondary school	The projects were started earlier and were allocated insufficient funds to complete them in the previous years. HBTC NGCDF have captured most of the ongoing projects to completion in 2019/2020FY	Kipngetich Langat,FAM	Resolved	
04	Transfers to primary schools not disclosed in the schedule-Ksh 4,000,000	Transfer to the above primary school had not been posted in the cashbook as at the close of financial year though the amounts released to the PMC.The treatment has	Kipngetich Langat,FAM	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve issue and designation	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
05	<p>Refurbishment Of CDF office; Tender N.O HBTC/NGCDF/KCC/01/2019 was awarded to Imani Metal Works however the business was not registered with registrar of companies nor have compliance certificate and bank account</p>	<p>been adjusted and annexed under prior year adjustment</p> <p>The works were given to a youth who has been released from prison and had the expertise knowledge as part of the youth empowerment program .CDFC in consultation with Sub County Accountant and Fund Account Manager approved for his payment under his name but advised him to obtain relevant documents to ensure that he gets government tenders.</p>	Kipngetich Langat,FAM	Resolved	
06	<p>Training Expenses; Work plan of training, list of trainers and minutes taken during training were not availed for audit verification to ascertain the importance and the value for money</p>	<p>The work plan, attendance list, minutes and photos ,training program with list of facilitators and trainers is attached for audit verification.</p>	Kipngetich Langat,FAM	Resolved	
07	<p>Budget Analysis; None implementation of the budgeted projects</p>	<p>None implementation of the budgeted projects was occasioned by delay in disbursement of funds from NG-CDF Board</p>	Kipngetich Langat,FAM	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve issue and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
08	Adjustment in summary of statement of appropriation; Implementation of unapproved projects of the previous years	An approved code list for 2018/2019 has been attached for your examination and verification over projects approved in earlier years	Kipngetich Langat,FAM	Resolved	
09	IT Weak internal Control; Homa Bay Town CDF lack disaster recovery plan, IT strategic committee, active IT steering committee and formally approved IT security Policy.	NG-CDF Board through its IT department is designing a unified program on the same which will be rolled down to all constituencies for implementation once plans are completed hence Homa Bay Town Constituency will be a beneficiary of it	Kipngetich Langat,FAM	Resolved	
10	Unlabeled projects	Most of the projects funded in 2018/2019 FY were still ongoing hence not easy to brand on the structures and both external and internal plastering and fitting of fisher boards had not been done which are the best position for labeling. The management and PMC have however erected sign post for several projects along the roads for publicity.	Kipngetich Langat,FAM	Resolved	

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