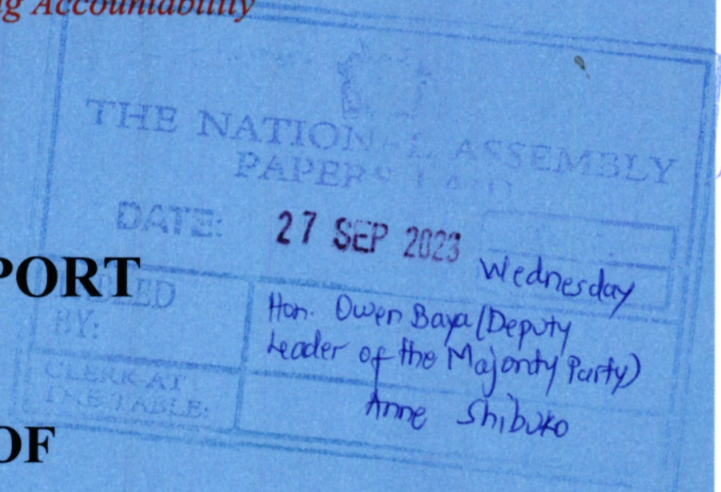


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

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

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

08 AUG 2023

RECEIVED



HOMABAY TOWN CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

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I. Key Constituency Information and Management

(a) Background information

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

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;

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

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

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of HomaBay Town Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(e) HomaBay Town Constituency NGCDF Headquarters

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

(f) HomaBay Town Constituency NGCDF Contacts

Telephone: (254) 722359230
E-mail: cdfhomabaytown@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) HomaBay Town Constituency NGCDF Bankers

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

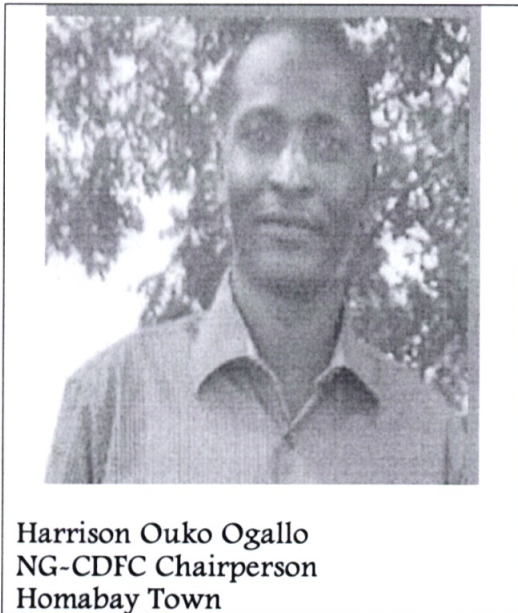
(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



It gives me great pleasure to present the annual report and financial statement for the year ended June 30, 2022.

This year, Homabay Town Constituency Development Fund approved budget was Kshs. 137,088,879 of which NG-CDF Board disbursed Ksh.124,088,879 (90.5%) of the total approved budget for the financial year to the constituency. By the end of the financial year the Board had not disbursed Kshs. 13,000,000 (9.5%) to the constituency due for the financial year and Kshs.13,000,000 for the previous years.

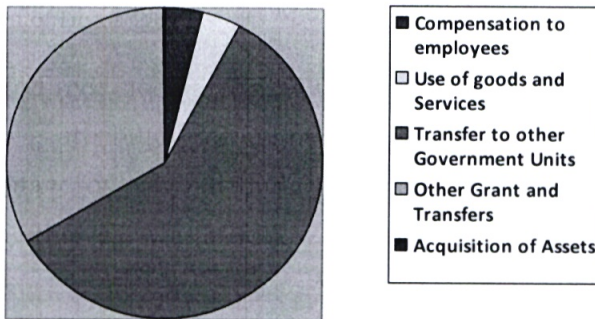
a) Allocation to Projects

During the year, the constituency actual receipt stood at Ksh 182,585,582 with Ksh 124,088,879 from original budget, Ksh 26,257,824 from opening balance, Ksh 32,188,879 from previous year's outstanding disbursements and Ksh 50,000 from appropriation in aid. The receipt was voted as follows; **59%** allocated towards the infrastructural development in government institutions, **33.1%**

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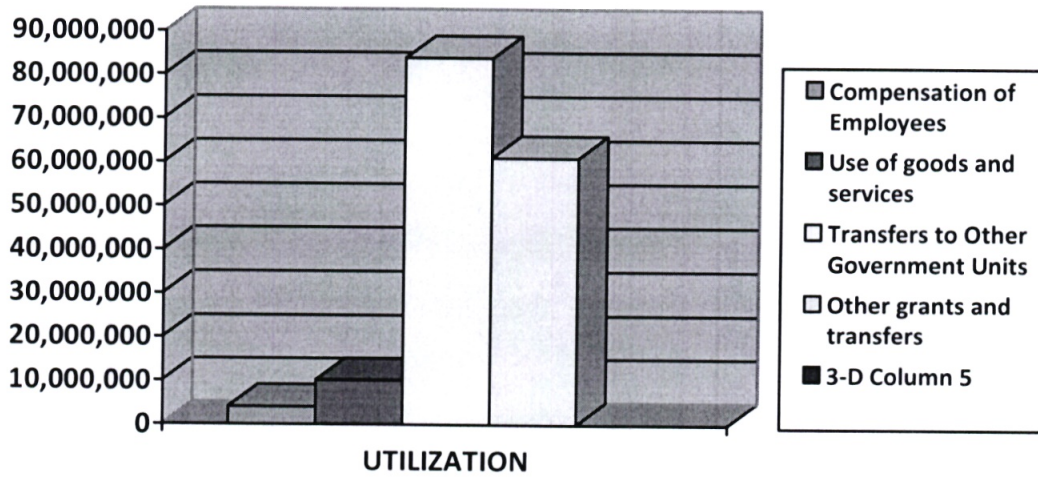
of the funds was allocated towards other grants and transfers, 3.8% towards use of goods and services, 0.2% towards Acquisition of assets and the balance of 3.9% the funds allocated towards compensation of employees as shown below

ALLOCATION OF FUNDS

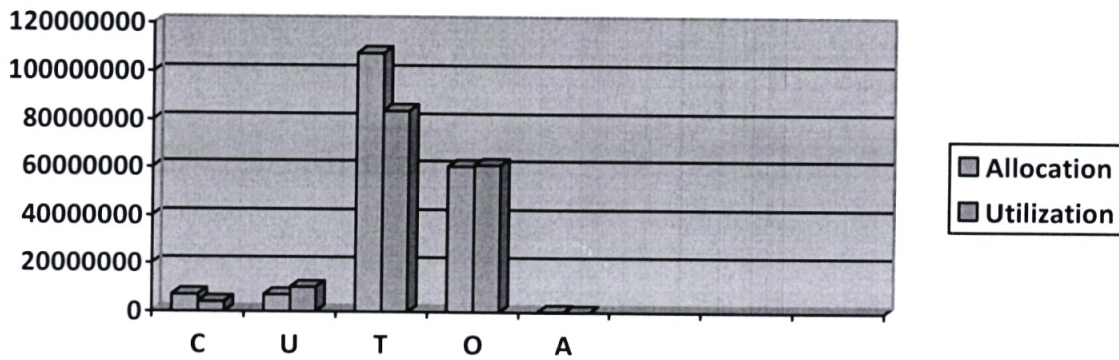


b) Utilization of Funds

Utilization of funds stood at 76.2% from 48.5% the previous year a 27.7% increase. The increase in utilization was attributed receipt of previous years outstanding balances at the Board and receipt of high percentage of original budget before the closure of the financial The overall utilization of funds during the year was as follows graphically;



COMPARISON BETWEEN ALLOCATION AND UTILIZATION



c) Key achievements of the entity

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 over 57 renovation projects in primary schools, 2 Administration Bocks in primary schools, Fencing of 3 primary schools, Construction of 5 toilets in primary schools, Construction of

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1 toilets in secondary school, and initiated science laboratories, dormitories, administration blocks in secondary school and completed 80% of them.

Similarly, Homabay town constituency has strived to attain 100% compliance to labelling of projects within the constituency with over 75% projects already labelled. Samples photographs of successfully completed projects are attached for review.



LORATENG PRIMARY SCHOOL: *Completion of 4no. Classrooms and Administration Block*

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RODI PRIMARY SCHOOL: Completion of Administration Block

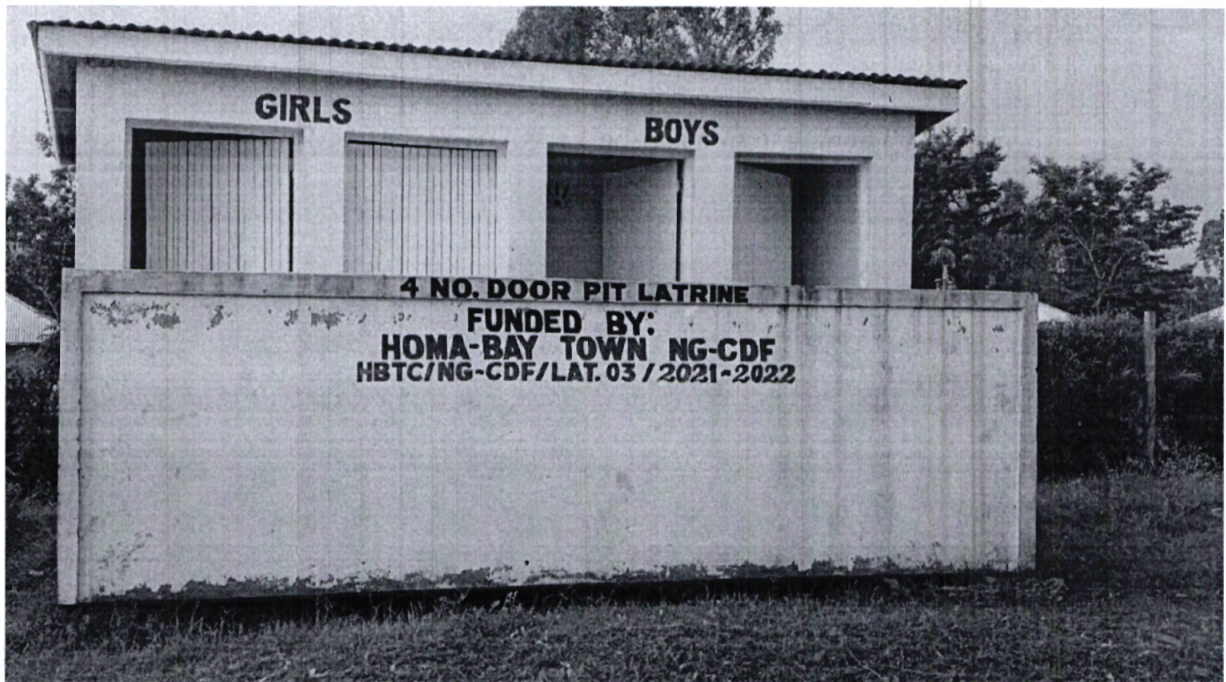


**PIUS NDIRU MIXED SECONDARY SCHOOL : Completion of Science Laboratory
Front View**

ST.



**ST. PIUS NDIRU MIXED SECONDARY SCHOOL : *Completion of Science Laboratory
Side View***



PUNDO KALANYA PRIMARY SCHOOL : *Construction of 4 door Pit Latrine*



KOGWANG PRIMARY SCHOOL : Construction of 4 door Pit Latrine



LALA PRIMARY SCHOOL: Gate installation and fencing of 6 ha. School compound



LALA PRIMARY SCHOOL : Fencing of 6 ha. School compound

The Fund has experienced critical challenges in the intervening period.

HomaBay Town NG-CDFC has received a very high number of proposals and letters of requests from stakeholders. This underlines the dire need for infrastructure in the Constituency but also expresses the confidence stakeholders have in the Fund.

We have also experienced the perennial challenge of low uptake of projects to special groups like, Women, Youth and Persons Living with Disabilities (PWDs). They have not managed to fulfil the 30% quota of projects as defined in the NG-CDF Act.

Much as we have strived to build the capacity of the Project Management Committees (PMCs), their operations are yet to be streamlined in order to conform with the operations of the Fund. This is despite organizing training sessions for them.

In order to respond to the high number of proposal from stakeholders, there is need to increase the allocation of the Fund. The low uptake of projects (30% quota) by special groups can be addressed by reaching out vertically to their organizations and working with them to help build capacity of interested members. We will continually seek to improve the management capacity of the PMC's through the traditional approach of organizing training sessions for them. Intensifying Monitoring and Evaluation (M&E) exercises will also help to streamline their operations.

**HARRISON OUKO
CHAIRMAN NGCDF COMMITTEE**

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III. Statement of Performance against Predetermined objectives for FY2021/22

Introduction

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

The key development objectives of *HomaBay Town Constituency 2018-2022* plan are to:

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	-number of usable physical infrastructure built in primary, secondary, and tertiary institutions. -number of bursary's beneficiaries at	In FY 2021/2022 - Completed 2 administration block at Rodi Primary School and Adongo Primary School -Renovated 57 Classrooms all in primary schools. -Fenced 3 primary schools; Nduta primary, Ndiru Primary

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			all levels	and lala primary -Increased number of beneficiaries in secondary and tertiary institutions
Security				-Initiated Construction of 3 chief's offices at Komollo location, East Kanyada location and Kanyach Kachar location
Emergency				-Constructed 6 toilets to completion 5 in Primary Schools and 1 in Secondary school.

IV. Environmental and Sustainability Reporting

HomaBay Town NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of HomaBay Town NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

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

2. Environmental performance

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Homabay Town constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

Homabay Town NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from

the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

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Public Awareness

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

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


.....
DAVID AGONG
FAM


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

V. Statement of Management Responsibilities

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

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

The Accounting Officer in charge of the NGCDF-Homabay Town Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Homabay Town Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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Annual Report and Financial Statements for The Year Ended June 30, 2022



The Accounting Officer in charge of the NGCDF Homabay Town Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Homabay Town Constituency financial statements were approved and signed by the Accounting Officer on 9/9 2022.



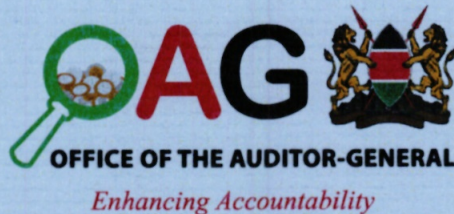
Name: Harrison Ouko
Chairman – NGCDF Committee



Name: David Agong
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

1 to 30, which comprise the statement of assets and liabilities as at 30 June, 2022, the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts 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 matter 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, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Understatement of Compensation of Employees

The statement of receipts and payments reflects compensation of employees expenditure of Kshs.4,081,273 as further disclosed in Note 4 to the financial statements. However, recomputation of the ledger provided revealed a total Kshs.3,894,957 comprising of basic salaries of Kshs.1,991,959, NSSF contribution by employer of Kshs.102,998 and payment to casuals of Kshs.1,800,000, therefore, resulting in an unexplained variance of Kshs.186,316.

In the circumstances, the accuracy and completeness of the compensation of employees balance of Kshs.4,081,273 for the year ended 30 June, 2022 could not be confirmed.

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

Emphasis of Matters

1. Budgetary Control and Performance

The summary statement appropriation for the year under review reflects total budgeted receipts of Kshs.208,535,583 and actual receipts of Kshs.182,535,583 resulting to overall under receipts of Kshs.26,000,000 (or 12%).

Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.208,585,583 and Kshs.159,014,483 respectively resulting in an underperformance amounting to Kshs.49,571,100 (or 24%).

The underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Homa Bay Town Constituency.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several matters were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management was yet to resolve the issues as provided by the Public Sector Accounting Standards Board templates and firmed by The National Treasury's Circulars.

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. Engagement of Excess Casual Employees

Included in the compensation of employees expenditure of Kshs.4,081,273 are basic salaries amounting to Kshs.3,983,283 as disclosed in Note 4 to the financial statements. Review of ledger and payment vouchers provided for audit revealed that an amount of Kshs.1,800,000 was paid in respect of casual wages. However, the Management engaged thirty (34) employees on casual terms contrary to the provisions of the NG-CDF circular referenced CDFBOARD/Circulars/Vol.II/166 which requires only five (5) posts to be filled at Constituency level consisting of a Clerical Officer, Accounts Assistant, Clerk of Works, Records Management Officer and a Driver. The excess employees lacked job specifications and there were no Committee minutes that sanctioned their employment.

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

2. Unapproved Change of Project Scope at Wiga Primary School

The statement of receipts and payments reflects transfers to other Government units of Kshs.83,893,098. As disclosed in Note 6 to the financial statements, the amount includes transfers to primary schools of Kshs.65,185,168. Review of records revealed that an amount of Kshs.500,000 was transferred to Wiga Primary School for completion of two (2) classrooms. The scope of works included external plastering, fitting of window panes and painting.

Field inspection of the project on 29 June, 2023 revealed that the project had not been completed and the funds had been diverted to tiling of the floor leaving the project incomplete. Management did not provide an approval of the National Government Constituency Development Fund by the Board authorising reallocation. This is contrary to Section 6(1) of the National Government Constituency Development Fund Act, 2015 which provides 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, Management was in breach of the law.

3. Project Implementation Status

Field inspection of projects carried out at the time of audit in the month of June, 2023 revealed several matters regarding implementation of projects as tabulated below:

Name of the Project	Approved Activity	Amount Allocated (Kshs.)	Status
St. Pius Ndiru Secondary School	Construction of a Laboratory Foundation Walling and Roofing of an approximate 60 Students Laboratory building	3,500,000	Project ongoing at procurement stage.
Chiga Secondary School	Completion of 200 student capacity library to enhance student learning. The works comprised roofing, fittings and plastering	2,000,000	Construction works of the project is ongoing and is at roofing level.
Wiobiero Secondary School	Completion of 45 students capacity laboratory. The works comprised fittings, plastering, plumbing works and painting	1,000,000	The project is incomplete and ongoing.
Kuja Mixed Secondary School	Completion of 4 Classrooms comprising of roofing, openings, plastering, electrical works and painting.	1,700,000	The Project is incomplete and in use.
St. Peter Disii Secondary School	Completion of 2 classrooms comprising fitting of windows and doors, plastering, painting and screed application	500,000	Incomplete and not in use, floor not done painting not done.

Name of the Project	Approved Activity	Amount Allocated (Kshs.)	Status
St. Camillus Ojunge Mixed Sec mixed Secondary School	Completion of 60 student capacity science laboratory including fitting of the windows and doors, plastering, painting, screed application, tiling electrical works	1,511,120	Incomplete, ongoing and not in-use.
St Domiminic Wiga Mixed Secondary School	Construction of 2 Classrooms	1,700,000	Floor not done, windows not fixed, doors not fixed.
Komollo Chiefs Office	Construction of Chief's office Consisting of 2 offices, a conference and waiting bay foundation	700,000	Only Foundation and walling done.
Kanyach Kachar Chiefs Office	Construction of Chief's office Consisting of 2 offices, a conference and waiting bay foundation	700,000	Only Foundation and walling done.
Wiga Primary School	Completion of 2 classrooms including external plastering, fitting of window panes painting to completion.	500,000	External Plastering painting and fixing of window panes not done.
Total		13,811,120	

In the circumstances, project costs may escalate and the public may not obtain value for money from the expenditure of Kshs.13,811,120 for the year ended 30 June, 2022.

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 governance were operating

effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of National Government Constituencies Development Fund - Homa Bay Town Constituency to sustain services, disclosing, as applicable, matters related sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

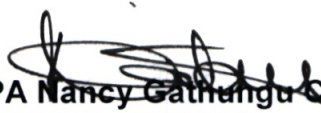
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 ability of the Fund 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 sustaining 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 National Government Constituencies Development Fund Homa Bay Town Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

12 September, 2023

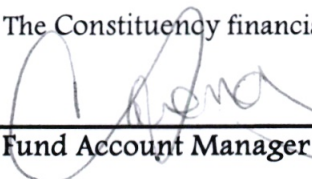
*Homabay Town Constituency
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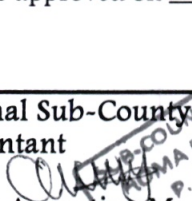
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

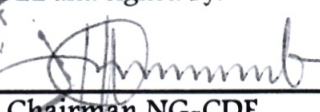
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	156,277,758	99,200,001
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	50,000	18,240
Total Receipts		156,327,758	99,218,241
Payments			
Compensation Of Employees	4	4,081,273	4,727,003
Use Of Goods and Services	5	10,088,803	8,351,247
Transfers To Other Government Units	6	83,893,098	79,930,781
Other Grants and Transfers	7	60,951,309	22,580,580
Acquisition Of Assets	8	-	-
Other Payments	9	-	1,469,097
Total Payments		159,014,483	117,058,708
Surplus/(Deficit)		(2,686,724)	(17,840,467)

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

The Constituency financial statements were approved on 9/9 2022 and signed by:


Fund Account Manager



National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: David Agong

Name: Augustine M. Gudah
ICPAK M/No: 20477

Name: Harrison Ouko


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

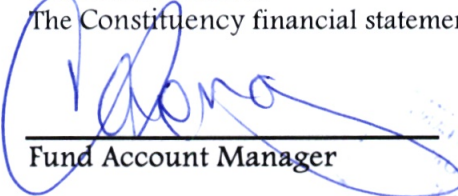
*Homabay Town Constituency
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VIII. Statement of Assets and Liabilities As At 30th June, 2022

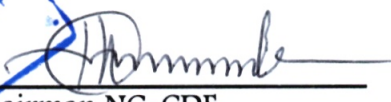
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	23,601,100	26,257,824
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		23,601,100	26,257,824
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		23,601,100	26,257,824
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		23,601,100	26,257,824
Represented By			
Fund Balance B/Fwd	13	26,257,824	43,998,292
Prior Year Adjustments	14	30,000	100,000
Surplus/Deficit for The Year		(2,686,724)	(17,840,467)
Net Financial Position		23,601,100	26,257,825

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

The Constituency financial statements were approved on 9/9 2022 and signed by:


Fund Account Manager

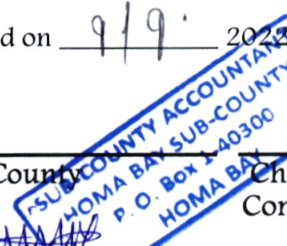
National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: David Agong

Name: Augustine M. Gudah
ICPAK M/No: 20477

Name: Harrison Ouko


SUB-COUNTY ACCOUNTANT
HOMA BAY SUB-COUNTY
P. O. Box 240300
HOMA BAY

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

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	156,277,758	99,200,001
Other Receipts	3	50,000	18,240
Total Receipts		156,327,758	99,218,241
Payments			
Compensation Of Employees	4	4,081,273	4,727,003
Use Of Goods and Services	5	10,088,803	8,351,247
Transfers To Other Government Units	6	83,893,098	79,930,781
Other Grants and Transfers	7	60,951,309	22,580,580
Other Payments	9	-	1,469,097
Total Payments		159,014,483	117,058,708
Total Receipts Less Total Payments			
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	30,000	100,000
Net Cash Flow from Operating Activities		(2,656,725)	(17,740,467)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(2,656,724)	(17,740,467)
Cash & Cash Equivalent At Start Of The Year	10	26,257,825	43,998,292
Cash & Cash Equivalent At End Of The Year	10	23,601,100	26,257,825

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

The Constituency financial statements were approved on 9/9 2022 and signed by:





Fund Account Manager

National Sub-County
Accountant -

Chairman NG-CDF
Committee

Name: David Agong

Name: Augustine M. Gudah
ICPAK M/No: 20477

Name: Harrison Ouko

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	D	e=c-d	f=d/c %
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	26,257,824	45,188,879	208,535,583	182,535,583	26,000,000	
Proceeds From Sale of Assets				0	-	-	0.0%
Other Receipts		50,000		50,000	50,000.00	-	100.0%
Totals	137,088,879	26,307,824	45,188,879	208,585,583	182,585,583	26,000,000	87.5%
Payments							
Compensation Of Employees	5,596,640	1,503,170		7,099,810	4,081,273	3,018,537	57.5%
Use Of Goods and Services	6,707,725	262,945		6,970,670	10,088,803	(3,118,133)	144.7%
Transfers To Other Government Units	89,592,307	7,428,188	36,650,000	133,670,495	83,893,098	49,777,397	62.8%
Other Grants and Transfers	35,192,207	16,746,886	8,538,879	60,477,972	60,951,309	(473,337)	100.8%
Acquisition Of Assets		289,004		289,004	-	289,004	0.0%
Other Payments	0	27,632		27,632	-	27,632	0.0%
Funds Pending Approval		50,000		50,000	-	50,000	0.0%
Totals	137,088,879	26,307,825	45,188,879	208,585,583	159,014,483	49,571,100	76.2%

Part of the revenue item is Ksh 50,000 that was realised from sale of tenders which form part of AIA

(a) During the year the Fund experiencing under-utilization of below 90% due to the following reasons

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- i. **Compensation of employees (57.5%):** Underutilization was as a result of the Board not disbursing all the budgeted funds to the constituency by end of the financial year
- ii. **Transfers to other government units (62.8%):** Underutilization was as a result of the Board not disbursing all the budgeted funds to the constituency by end of the financial year and disbursement of funds towards the close of the financial year.
- iii. **Acquisition of Assets (0.0%):** underutilization was as a result of failure of NG-CDFC to purchase the intended office asset

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	49,571,100
Less undisbursed funds receivable from the Board as at 30 th June 2022	26,000,000
	23,571,100
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	30000
Cash and Cash Equivalents at the end of the FY 2021/2022	23,601,100

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,596,640	1,503,170		7,099,810	4,081,273	3,018,537
1.2 Committee allowances	891,000.00	-		891,000	4,009,133	(3,118,133)
1.3 Use of goods and services	1,736,693.00	-		1,736,693	1,736,693	-
	8,224,333	1,503,170	-	9,727,503	9,827,099	(99,596)
2.0 Monitoring and evaluation						
2.1 Capacity building	1,937,805	145,321		2,083,126	2,083,126	(0)
2.2 Committee allowances	864,000	-		864,000	864,000	-
2.3 Use of goods and services	1,278,227	117,624		1,395,851	1,395,851	-
	4,080,032	262,945	-	4,342,977	4,342,977	(0)
3.0 Emergency						
3.1 Primary Schools	7,192,207			7,192,207	7,192,000	207
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	7,192,206.90			7,192,207	7,192,000	207
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	20,000,000	13,672,886	8,538,879	42,211,765	43,532,309	(1,320,544)
4.3 Tertiary Institutions	5,000,000	2,265,000		7,265,000	7,265,000	-
4.4 Special School	500,000	-		500,000	462,000	38,000
4.5 Social Security						
5.0 Sports	25,500,000	15,937,886	8,538,879	49,976,765	51,259,309	(1,282,544)
5.1						
5.2						
5.3						
6.0 Environment						
6.1						
6.2						
6.3						
7.0 Primary Schools Projects (List all the Projects)						
Adongo Primary School	700,000			700,000	700,000	-

*Homabay Town Constituency
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Achiero Primary School	3,000,000			3,000,000		3,000,000
Akele Primary School	300,000			300,000	300,000	-
Arujo Primary School	600,000			600,000	600,000	-
Arunda Primary School	600,000			600,000	600,000	-
Asego Primary School	1,400,000			1,400,000	1,400,000	-
Disii Primary school	1,501,000			1,501,000	1,501,000	-
Gogo Katuma Primary School	400,000			400,000	400,000	-
Got Kochungo Primary School	600,000			600,000	600,000	-
Homa Bay Primary School	1,400,000	10,793		1,410,793	1,400,000	10,793
Kijawa Primary School	600,000			600,000	600,000	-
Kogwang Primary School	600,000			600,000	600,000	-
Kuja Primary School	1,500,000			1,500,000	1,500,000	-
Lake Primary School	600,000			600,000	600,000	-
Lake Primary School	400,000			400,000	400,000	-
Lala Primary School	2,800,000			2,800,000	2,800,000	-
Lang'oromo Primary School	1,000,000			1,000,000	1,000,000	-
Lieta Kabunde Primary School	600,000			600,000	600,000	-
Lorateng Primary School	2,500,000			2,500,000	2,500,000	-
Magare Primary School	1,200,000			1,200,000	1,200,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Maguje Primary school	1,700,000			1,700,000	1,700,000	-
Maguti Primary School	300,000			300,000	300,000	-
Majiwa Primary School	500,000	1,000,000		1,500,000	1,500,000	-
Makongeni primary School	400,000			400,000	400,000	-
Marindi Primary School	600,000			600,000	600,000	-
Masakla Primary School	1,200,000			1,200,000	1,200,000	-
Muche Primary School	800,000			800,000	800,000	-
Ndiru Primary School	2,841,307			2,841,307	2,841,307	-
Ndori Primary School	300,000			300,000	300,000	-
Nduta Primary School	1,500,000			1,500,000	1,500,000	-
Ngere Primary School	2,500,000			2,500,000	1,492,861	1,007,139
Nyagidha Primary School	400,000			400,000	400,000	-
Nyakahia Primary School	600,000			600,000	600,000	-
Nyalkinyi Primary School	1,400,000			1,400,000	1,400,000	-
Nyatago Kachar Primary School	200,000			200,000	200,000	-
Nyatago Kachar Primary School	800,000			800,000	800,000	-
Ogande Primary School	1,500,000			1,500,000	1,500,000	-
Ogongo Katuma Primary School	800,000			800,000	800,000	-

*Homabay Town Constituency
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ojunge Primary School	700,000			700,000	700,000	-
Olodo Primary School	1,000,000			1,000,000	1,000,000	-
Orego Primary School	1,000,000			1,000,000	1,000,000	-
Otaro Primary School	1,000,000			1,000,000	1,000,000	-
Wiobiero Primary School	100,000			100,000		100,000
Pala Masogo Primary School	1,200,000			1,200,000	1,200,000	-
Pap Ndege Primary School	500,000			500,000	500,000	-
Pedo Primary School	1,000,000			1,000,000	1,000,000	-
Rabuor Masawa Primary School	700,000			700,000	700,000	-
Radiro Primary School	800,000			800,000	800,000	-
Rangwena Primary School	800,000			800,000	800,000	-
Riwa Primary School	800,000			800,000	800,000	-
Roba Primary School	800,000			800,000	800,000	-
Rodi Primary School	1,500,000			1,500,000	1,500,000	-
Ruga Primary School	800,000			800,000	800,000	-
Sero Primary School	1,000,000			1,000,000	1,000,000	-
Sinangi Primary School	1,600,000			1,600,000	1,600,000	-
Wahambla Primary School	800,000			800,000	800,000	-
Wangapala Kobuola Primary	400,000			400,000	400,000	-

Homabay Town Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
School						
Watata Primary School	400,000			400,000	400,000	-
Wiamen Primary School	700,000			700,000	700,000	-
Wiga Primary School	500,000			500,000	500,000	-
Lake Primary School	100,000			100,000	100,000	-
Wibiero Primary School	1,000,000			1,000,000	1,000,000	-
Yao Primary school	300,000			300,000	300,000	-
Watata Primary		500,000.00		500,000	500,000	-
Rodi Primary			1,000,000	1,000,000	1,000,000	-
Radiro Primary (Geological)			2,000,000	2,000,000	2,000,000	-
Ojunge Primary (Geological)			2,000,000	2,000,000	2,000,000	-
Kogello Kalanya Primary		350,000		350,000	350,000	-
Ndiru Primary (Geological)		2,000,000		2,000,000	2,000,000	-
Ogongo Katuma primary		(8,999)		(8,999)		(8,999)
School Desks		74,247		74,247		74,247
Elogin Enterprises (Rodi Fencing)		5,000		5,000		5,000
Ogande Special School		300,000		300,000	300,000	-
Kopiyo Primay School Road			1,000,000	1,000,000	1,000,000	1,000,000
Watata Primary School			600,000	600,000	600,000	600,000

*Homabay Town Constituency
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Langoromo Primary School Road			1,000,000	1,000,000		1,000,000
Got-Kochungo Primary School Road			1,000,000	1,000,000		1,000,000
Chiga Primary School Road			1,000,000	1,000,000		1,000,000
Otaro Primary School Road			1,000,000	1,000,000		1,000,000
Total	60,142,307	4,231,041	10,600,000	74,973,348	65,185,168	9,788,180
8.0 Secondary Schools Projects (List all the Projects)						
Chiga Secondary School	2,000,000			2,000,000		2,000,000
Langoromo Mixed Secondary School	500,000			500,000	500,000	-
Nyagidha Mixed Secondary School	1,500,000			1,500,000	1,500,000	-
Nyagidha Mixed Secondary School	750,000			750,000	750,000	-
Ogande Girls High School	10,000,000			10,000,000		10,000,000
Ogande Mixed Secondary School	2,000,000			2,000,000		2,000,000
Rabuor Masawa Mixed Secondary School	1,500,000			1,500,000	1,500,000	-
St. Camillus Ojunge Mixed Sec	2,500,000			2,500,000	1,511,121	988,879

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
School						
St. Marys Marindi Girls School	1,000,000		7,000,000	8,000,000	1,000,000	7,000,000
St. Peters Disii Secondary School	500,000			500,000	500,000	-
St. Pius Ndiru Secondary School	3,500,000			3,500,000		3,500,000
Riwa Mixed Secondary	500,000			500,000	500,000	-
St. Theresas Nyauu Girls Secondary School	1,500,000			1,500,000		1,500,000
St. Dominic Wiga Mixed Secondary School	1,700,000			1,700,000	1,700,000	-
Kuja Mixed Secondary			1,700,000	1,700,000	1,700,000	-
Homa Bay High School		1,000,000	3,000,000	4,000,000	1,000,000	3,000,000
Nyalkinyi Secondary		500,000		500,000	500,000	-
Ogande Girls High		1,697,147	10,000,000	11,697,147	1,696,809	10,000,338
Ogande Mixed Secondary			1,150,000	1,150,000	1,150,000	-
Wiobiero Secondary			1,000,000	1,000,000	1,000,000	-
Ngere Mixed Secondary			2,200,000	2,200,000	2,200,000	-
Total	29,450,000	3,197,147	26,050,000	58,697,147	18,707,930	39,989,217
9.0 Tertiary institutions Projects (List all the Projects)						

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.1						
9.2						
10.0 Security Projects						
Komollo Chiefs Office	700,000.00			700,000	700,000	-
East Kanyada Chiefs Office	400,000.00			400,000	400,000	-
Kanyach Kachar Chiefs Office	700,000.00			700,000	700,000	-
Kanyabala Chiefs Office	700,000			700,000	700,000	-
H/Bay Police Headquarter Obwanda Osum		9,000		9,000		9,000
Kalanya kanyango chief office		800,000		800,000		800,000
	2,500,000	809,000	-	3,309,000	2,500,000	809,000
11.0 Acquisition of assets						
Motor Vehicles/ Motorcycle	-	289,004		289,004		289,004
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
	-	289,004	-	289,004		289,004
12.0 Others						

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		27,632		27,632	-	27,632
		27,632	-	27,632	-	27,632
Funds pending approval**		50,000.00		50,000	-	50,000
Total	137,088,879	26,307,825	45,188,879	208,585,583	159,014,483	49,571,100

XI. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

Each constituency maintains a fixed asset register and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation. The prior year adjustment which was as a result of stale bursary cheques have been adjusted from Ksh100,000 to Ksh 30,000.

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

*Homabay Town Constituency
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
B096872		2,300,001
B124701		9,000,000
B124944		10,000,000
B119799		13,000,000
B128089		6,900,000
B128400		6,000,000
B132144		6,000,000
B138812		13,000,000
B126397		10,000,000
B126108		8,000,000
B140543		15,000,000
B140892	17,529,393	
B105642	34,000,000	
B105770	34,000,000	
B128504	6,000,000	
B128815	20,000,000	
B154013	20,000,000	
B164456	10,088,879	
B155943	12,659,486	
A888974	2,000,000	
TOTAL	156,277,758	99,200,001

Homabay Town Constituency
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2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	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	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	50,000	18,240
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	50,000	18,240

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,983,283	4,456,638
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	97,990	270,365
Total	4,081,273	4,727,003

Homabay Town Constituency
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Notes To the Financial Statements (Continued)

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	724,000	1,088,700
Utilities, supplies and services	-	30,000
Communication, supplies and services	246,650	187,220
Domestic travel and subsistence	680,000	175,000
Printing, advertising and information supplies & services	24,200	103,820
Rentals of produced assets	-	-
Training expenses	2,493,100	1,264,500
Hospitality supplies and services	606,700	264,620
Other committee expenses	2,392,000	2,261,614
Committee allowance	1,195,500	-
Insurance costs	-	-
Specialized materials and services	18,244	-
Office and general supplies and services	634,599	1,199,150
Other operating expenses	962,460	1,755,223
Routine maintenance – vehicles and other transport equipment	111,350	13,900
Routine maintenance – other assets	-	7,500
Total	10,088,803	8,351,247

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	65,185,168	53,880,781
Transfers To Secondary Schools (See Attached List)	18,707,930	26,050,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	83,893,098	79,930,781

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Notes To The Financial Statements (Continued)

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	43,532,309	5,593,260
Bursary – tertiary institutions (see attached list)	7,265,000	3,813,320
Bursary – special schools (see attached list)	462,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,500,000	4,600,000
Sports projects (see attached list)	-	50,000
Environment projects (see attached list)	-	174,000
Emergency projects (see attached list)	7,192,000	8,350,000
Total	60,951,309	22,580,580

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	-

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	300,000
ICT Hub	-	1,169,097
		1,469,097

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Notes To The Financial Statements (Continued)

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, HomaBay Branch . HomaBay Town NG-CDF A/C no.0980261595074</i>	23,601,100	26,257,824
Total	23,601,100	26,257,824
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Tom Wasike	09/07/2021	50,000	50,000	-
Harrison Ouko	14/07/2021	336,000	336,000	-
Tom Wasike	05/08/2021	100,000	100,000	-
Tom Wasike	25/08/2021	551,960	551,960	-
Augustine M. Gudah	25/08/2021	258,000	258,000	-
Tom Wasike	27/10/2021	350,000	350,000	-
Tom Wasike	30/11/2021	300,000	300,000	-
Tom Wasike	30/11/2021	257,500	257,500	-
David Agong	13/12/2021	580,000	580,000	-
David Agong	15/02/2022	122,080	122,080	-

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David Agong	15/02/2022	544,000	544,000	-
David Agong	15/02/2022	728,500	728,500	-
David Agong	23/03/2022	150,000	150,000	-
David Agong	23/03/2022	338,099	338,099	-
David Agong	23/03/2022	530,000	530,000	-
David Agong	23/03/2022	146,000	146,000	-
David Agong	23/03/2022	177,000	177,000	-
David Agong	22/04/2022	112,000	112,000	-
David Agong	22/04/2022	404,000	404,000	-
David Agong	03/06/2022	366,522	366,522	-
David Agong	03/06/2022	196,000	196,000	-
David Agong	03/06/2022	76,478	76,478	-
Total		6,674,139	6,674,139	-

Notes to the Financial Statement Continued

12A. Retention

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

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Notes To The Financial Statements (Continued)

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	26,257,824	43,998,292
Cash in hand		
Imprest	-	-
Total	26,257,824	43,998,292

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	100,000	70,000	30,000
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	100,000	70,000	30,000

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Notes To The Financial Statements (Continued)

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	6,674,139	4,500,000
Imprest surrendered during the Year (C)	6,674,139	4,500,000
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A		

16. Changes in Accounts Payable – Deposits and Retentions

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

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	3,018,537	1,503,170
Use of goods and services	(3,118,133)	262,946
Amounts due to other Government entities (see attached list)	49,777,397	25,278,187
Amounts due to other grants and other transfers (see attached list)	(473,337)	16,287,764
Acquisition of assets	289,004	289,004
Others- Strategic plan	27,632	2,232,146
Funds pending approval	50,000	25,593,486
Total	49,571,100	71,446,703

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	27,342,794.66	21,142,231
Total	27,342,794.66	21,142,231

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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

**Homabay Town Constituency
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Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDPC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of all benefits accruing to all the NG-CDF Staff	3,018,537	1,503,170	Unspent balance
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	(3,118,133)	262,947	
Amounts due to other Government entities			25278187	
Primary Schools	Transfers to Primary schools			Unspent balance , Funds Not yet released by NG-CDF Board
Achiero Primary School		3,000,000		Funds Not yet released by NG-CDF Board
Homa Bay Primary School	Renovation of 4no. Classrooms	10,793		Unspent balance
Ngere Primary School	Completion of 4NO. Classrooms	1,007,139		Unspent balance
Wiobiero Primary School	Completion of Administration Block	100,000		Unspent balance
Ogongo Katuma primary	Road opening and grading of Ogongo Katuma Primary school access road to enable access to the school.	(8,999)		Unspent balance
School Desks	Purchase of school desks	74,247		Unspent balance
Elogin Enterprises (Rodi Fencing)	Fencing of Rodi Primary school compound	5,000		Unspent balance
Kopiyo Primay School Road	Road opening and grading of Kopiyo Primary School 2km access road to enable access to the school.	1,000,000		Unspent balance
Watata Primary School	Road opening, grading gravel patching of Watata Primary 1.5 km access road to enable access to the school.	600,000		Unspent balance

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Langoromo Primary School Road	Road opening, grading and trenching of 1.8 Km Langoromo Primary Access roads to enable access to the school.	1,000,000		Unspent balance
Got-Kochungo Primary School Road	Road opening, grading and trenching of 2.5 km Got Kochungo Primary Access road to enable access to the school.	1,000,000		Unspent balance
Chiga Primary School Road	Road opening, grading of 3km Chiga Primary Access road to enable access to the school.	1,000,000		Unspent balance
Otaro Primary School Road	Road opening, grading of 1.2 km Otaro Primary Access road to enable access to the school.	1,000,000		Unspent balance
		49,777,397	25278187	
Secondary School	Transfers to Secondary schools		15347147	Unspent balance , Funds Not yet released by NG-CDF Board
Chiga Secondary School	Completion of 200 students' capacity library to enhance student learning: Roofing, Fittings. Plastering.	2000000		Unspent balance
Ogande Girls High School	Construction of modern library (Dr Idah Odinga Library) NG-CDFC Funds to undertake the substructure phases of both the library and the auditorium wing involving excavations, site preparations, concrete works, reinforcements, form works, foundation walling and DPM.	10000000		Funds Not yet released by NG-CDF Board
Ogande Mixed Secondary School		2000000		Unspent balance
St. Camillus Ojunge Mixed Sec School	Completion of 60 student capacity science laboratory; fitting of the windows and the doors, plastering, painting, screed application, tiling electrical works,	988879		Unspent balance
St. Marys Marindi Girls School	Purchase of a new School Bus Isuzu FRR 33L,51-Seater semi – luxury institution bus with a Diesel propelled engine	7000000		Unspent balance

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	painted to preferred color scheme and logo, fitted with high density cautions, handrails speed governor, inside parcel carriers, seatbelts, roof rack, radio plus speakers.			
St. Pius Ndiru Secondary School	Construction of a Laboratory: Foundation, Walling and Roofing of an approximate 60 students laboratory building	3500000	Unspent balance	Unspent balance
St. Theresas Nyauu Girls Secondary School	Construction of new girls' dormitory: Foundation Walling, Roofing, of an approximate 200 students	1500000	Unspent balance	Unspent balance
Homa Bay High School	Construction of domitory	3000000		Funds Not yet released by NG-CDF Board
Ogande Girls High	Construction of modern library (Dr Idah Odinga Library) NG-CDFC Funds to undertake the substructure phases of both the library and the auditorium wing involving excavations, site preparations, concrete works, reinforcements, form works, foundation walling and DPM.	10000338		Unspent balance , Funds Not yet released by NG-CDF Board
		39,989,217		
Sub-Total		49,777,397	25278187	
Amounts due to other grants and other transfers				
Emergency		207	2,255,888	Unspent balance
Bursary		-1,282,544	8,564,393	
Environment			3,139,320	
Security		809,000	809,000	Unspent balance
Sports			3,519,163	
Sub-Total		18,287,764	9,465,328	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Acquisition of assets				
Funds to purchase office motorcycle		289,004	289,004	Unspent balance
Others (<i>specify</i>)				
		-106,368	2,232,146	
Sub-Total		-106,368	2,232,146	
Funds pending approval (AIA)		184,000	23593486	
Grand Total		49,571,100	71,446,704	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	23,000,000	-	-	23,000,000
Buildings and structures	6,153,996	-	-	6,153,996
Transport equipment	941,000	-	-	941,000
Office equipment, furniture and fittings	265,000	-	-	265,000
ICT Equipment, Software and Other ICT Assets	95,000	-	-	95,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	30,454,996	-	-	30,454,996

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Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Lala Mixed Secondary School	Equity-Hb	980261759144	201,012	1,012
Ruga Mixed Secondary School	Equity-Hb	980261732258	198,797	198,797
Adongo Primary School	Equity-Hb	980271097763	69,768	30,541
Sero Mixed Secondary School	Equity-Hb	980261742746	1,001,125	501,125
Maguti Mixed Secondary School	Equity-Hb	980264228556	19,703	21,134
Rabuor Masawa Mixed Secondary School	Equity-Hb	980266041934	78,045	1,001,545
Wiobiero Primary School	Equity-Hb	980268443443	1,001,188.04	188
Gogo Katuma Mixed Secondary School	Equity-Hb	980261764725	13,914	510,915
Pedo Primary School	Equity-Hb	980279107164	18,093.25	4,621
St Pius Ndiru Mixed Secondary School	Equity-Hb	980263580662	677,633.50	8,030
Langoromo Primary School	Equity-Hb	980279866444	1,002,690.60	2,691
Pap Ndege Mixed Secondary School	Equity-Hb	980269026996	14,200	14,200
Langoromo Mixed Secondary School	Equity-Hb	980262130924	506,221.14	541,522
Kogelo Kalanya Primary School	Equity-Hb	980278953852	8,631	3,155
Nyakahia Mixed Secondary School	Equity-Hb	980265987477	873	873
Riwa Mixed Secondary School	Equity-Hb	980263474286	507,886	506,006
Arunda Primary School	Equity-Hb	980261746780	600,385	385
Kogwang Primary School	Equity-Hb	980266500664	2,060	2,060

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Dr. Mbai Primary School	Equity-Hb	980261746911	2,300	2,300
Got Kochungo primary School	Equity-Hb	980261799890	12,615	6,615
Homabay Town const Roads PMC	Equity-Hb	980266470825	3,960	3,960
Imbo Health Center	Equity-Hb	980264466760	9,340	9,340
Kambeke Primary School	Equity-Hb	980261593903	31,493	212,786
Kuja Primary School	Equity-Hb	980266196092	1,511,859	1,500,700
Maguti Primary School	Equity-Hb	980264228556	19,703	21,134
Majiwa Primary School	Equity-Hb	980268442199	45,779	567,619
Marindi AP Camp	Equity-Hb	980267403951	0	480
Nyakahia Primary School	Equity-Hb	980264454863	0	1,560
Nyatago Kachar Primary School	Equity-Hb	980261754595	6,793	5,285
Rangwena Primary School	Equity-Hb	980261799747	33,262	1,725
Rodi Chief's camp	Equity-Hb	980266152463	7,370	7,370
Rodi Primary School School	Equity-Hb	980262623835	181,815	3,487
Sero Primary School School	Equity-Hb	980263669075	1,001,700	1,700
St Marys Marindi Girls Secondary School	Equity-Hb	980262152807	17,630	17,630
St. Patrick Makongeni Primary School	Equity-Hb	980261737570	400,185	176,779
Shauri Yako Primary School	Equity-Hb	980278904589	337,392	1,400
Watata Primary School	Equity-Hb	980261736854	240,034	1,584

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Ndiru Primary School	Equity-Hb	980262088557	2,857,363.40	162,609
Nyanguu Primary School	Equity-Hb	980261732727	7,000	7,000
Kambeke Primary School	Equity-Hb	980261593903	31,493	212,786
Bishop Okulu Magare Girls	Equity-Hb	980277829282	236,836	162,641
Arunda Primary School	Equity-Hb	980261746780	600,385	385
Wiobiero Secondary School	Equity-Hb	980262667929	13,635.35	208,076
Lake Primary School	Equity-Hb	980262534689	405,517.30	583,350
Bishop Ochiel Otaru Secondary	Equity-Hb	98026758847	17469.30	0
Nyalkinyi Mixed Secondary School	Equity-Hb	980262637125	502,302	2,302
Ogande Girls Secondary School	Equity-Hb	980262300238	14,068.68	14,162
Pala Masogo Mixed Secondary School	Equity-Hb	980263676095	40,640	40,640
Nyagidha Mixed Secondary School	Equity-Hb	980266406972	105,546.40	882,690
St Dominic Wiga Secondary School	Equity-Hb	980261767294	233,148	9,250
Chiga Mixed Secondary School	Equity-Hb	980261768889	22,851	1,023,204
St Theresas Nyauu	Equity-Hb	980262200124	2,490	1,505,405
Kuja Mixed Secondary School	Equity-Hb	980266141178	14,297	0
Ogande Mixed Secondary School	Equity-Hb	980263579492	22684.10	1,820
Nyalkinyi Secondary School	Equity-Hb	980263530538	2980	18,710
Nyakune Primary School	Equity-Hb	980261743690	11,845	11,845

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
St Ambrose Got Rabuor Mixed	Equity-Hb	980261743690	11845	11,845
St Peters Disii Secondary School	Equity-Hb	98026278419	511352.50	0
St. Camillus Ojunge Mixed Secondary School	Equity-Hb	980261729279	2959639.60	1,159,639
Homabay High School	Equity-Hb	980278813036	141165	1,125
Homabay Primary School	Equity-Hb	980271097763	69,768	30,541
Majiwa Primary School	Equity-Hb	980263676095	40,640	40,640
Ngere Mixed Secondary	Equity-Hb	980261759721	14,029	4,030
Kaluma Kotewa Primary School	Equity-Hb	980262522607	19,885	19,462
Kijawa Primary School	Equity-Hb	98026340645	6574	0
Kopiyo Primary School	Equity-Hb	980261739112	4,526	4,526
Lieta Kabunde Primary School	Equity-Hb	980264382324	16420.50	0
Loorateng Primary School	Equity-Hb	980264382384	66,530	273,835
Maguje Primary School	Equity-Hb	980261738862	1,145,518.70	5,192
Muche Primary School	Equity-Hb	980264413334	6,138	4,327
Nduta Primary School	Equity-Hb	980299711771	89,554.55	725
Ngere Primary School	Equity-Hb	980261759831	19,980.90	19,981
Nyauu Primary School	Equity-Hb	980268395917	14,790.30	504,029
Ogande Special School	Equity-Hb	980266236187	4,915.05	3,611
Ogongo Katuma Primary School	Equity-Hb	980261773246	482.50	153

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Olodo Primary School	Equity-Hb	980268454675	23,360	1,260
Orego Primary School	Equity-Hb	980263840143	28,527	4,820
Otaro Primary School	Equity-Hb	980279897147	21,598	58
Pala Masogo Primary School	Equity-Hb	980265668925	2,780	2,780
Pundo Kalanya Primary School	Equity-Hb	980261736094	12,269.10	12,130
Radiro Primary School	Equity-Hb	980266276075	123,806	14
Roba Primary School	Equity-Hb	980261733354	892	365
Rodi Primary School	Equity-Hb	980261736094	12,269.10	12,130
Wiga Primary School	Equity-Hb	980269136926	806,794.10	489
Wiamen Primary School	Equity-Hb	980266085074	49,006	1,001,450
Yao Primary School	Equity-Hb	980263875593	52,813	1,008,535
Kanyabala Chiefs Office	Equity-Hb	980264467243	408,710	8,710
Rodi Police Post	Equity-Hb	980280881697	201.50	1,250,311
Ndori Primary School	Equity-Hb	980262296515	331,685.35	1,502,955
Akele Primary School	Equity-Hb	980263679988	28,337	1,503,450
Asego Primary School	Equity-Hb	980261904273	42,948	-
Disii Primary School	Equity-Hb	980262616211	546,141	-
Gogo Katuma Primary School	Equity-Hb	980262661909	3,379.25	-
Lala Primary School	Equity-Hb	980261733245	118,089	-

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Lang'oromo Primary School	Equity-Hb	980279866444	1,002,690.60	-
Magare Primary School	Equity-Hb	980261737909	58,623	-
Marindi Primary School	Equity-Hb	980278947221	1,961	-
Masakla Primary School	Equity-Hb	980266141178	14,297	-
Ojunge Primary School	Equity-Hb	980271174470	2,619,047	-
Nyagidha Primary School	Equity-Hb	980280916011	3,180	-
Pap Ndege Primary School	Equity-Hb	980280269637	502,831	-
Rabuor Masawa Primary School	Equity-Hb	980282534488	400	-
Ruga Primary School	Equity-Hb	980282291505	17,000	-
Riwa Primary School	Equity-Hb	980282325349	1,001	-
Wahambla Primary School	Equity-Hb	980261737169	35,397	-
Wangapala Kobuola Primary School	Equity-Hb	980262611661	401,000	-
Total			27,342,794.66	21,142,231

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The financial statements under Note 4 reported an amount of Kshs 4,727,003 as compensation of employees. However, review of records noted that the constituency committee employed thirty-four persons on casual terms as opposed to the recommended number of five.</p>	<p>The NG-CDF Act in its provision under section 45 of the CDF Act 2015 provides for employment of staff as the committee may deem considering on their ability to perform the duties effectively and professionally. The Act however does not give guideline on the number of employees to be engaged hence leaving the window for the NG-CDFC to determine the number and categories which they can engage. The committee is planning to scale down the number of staff to a manageable number in</p>	<p>Not resolved</p>	<p>31/12/2022</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		the new renewal of staff contract in the next term. Attached is an extract of the relevant section of the NG-CDF Act 2015 (Annex2)		
6.2	<p>Construction of Classrooms at Shauri Yako Primary School</p> <p>Observation Included in the balance of transfers to other government entities of Kshs.79,930,781 is transfers to primary schools of Kshs.53,880,781 out of which the constituency transferred Kshs. 4,000,000 towards construction of 4 No. classrooms storey Building at Shauri Yako Primary School. The contract for the above works was awarded to M/S Phelotim Limited at a sum of Kshs. 7,841,170 being the lowest evaluated bidder.</p>	<p>The Management in deed conducts due diligence ; before any project payment is done, all the requisite documents are verified thereafter the clerk of works and the Public works officer inspects the projects to quantify the value of the works done vide payment certificate and does an inspection report highlighting the recommendations thereof.</p> <p>The procurement for</p>	Not Resolved	31/12/2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Review of documents revealed that interim payment certificate No. 1 of KS 2,475,280 which was certified by the County Works Officer upon inspection of work done on 6th December, 2021 and recommended by PMC in its meeting held on 7th December 2021 and consequently the contractor was paid the amount for the work done as at that time. In addition, the contractor raised IPC No. 2 of KS. 1,444,480 which was certified on 25th January, 2021 and consequently paid.</p> <p>Physical verification at the time of audit noted that foundation, walling and placing of slab works had been done. The remaining works indicated in both certificates included super structure walling, Roofing and</p>	<p>the project was conducted once at a tender sum of Kshs. 7,841,170 but the project is being funded in phases annually but will not exceed three financial years. This was the initial funding, the next funding for the completion of the project will be incorporated in the next project proposal financial year 2022/2023. Copy of contract agreement is attached for review (Annex 6)</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>fixing of doors and windows, plastering, painting both interior and exterior walls and the contractor was not on site.</p> <p>Incomplete Primary and Secondary School Projects</p> <p>Included in the reported balance of transfers to other government entities of Kshs. 79,930,781 under Note 6 is an amount of Kshs. 26,050,000 as transfers to secondary schools and Kshs.53,880,781 as transfers to primary schools.</p> <p>However, physical verification conducted during the audit exercise in the month of April 2022 noted that nine (9) projects costing Kshs.23,800,000 were incomplete at and were at various stages of implementation as tabulated in appendix I.</p>	<p>NG-CDFC in conjunction with the PMC procured for the project once at tender sum but the project is funded in phases per financial year not exceeding three financial years. The seven projects highlighted are ongoing therefore Certificate of practical completion have not been issued hence could not be availed for audit verification. However copy of payment certificate for payments made have been availed for review (Annex7)</p>		

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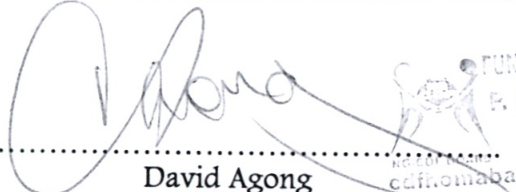
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Review of the budget execution by sectors and projects established that the constituency allocated Kshs.16,953,424 translating to 9% of the total final budget of Kshs. 188,505,412 for the year under review. This fell short of the 35% threshold set by regulation 21 (5) of the National Government Constituency Development Fund Regulations.</p>	<p>the financial year under review, Homa Bay Town NG-CDFC Members allocated Ksh 20,000,000 towards bursary secondary school, Ksh 6,500,000 towards bursary tertiary institutions and Ksh 700,000 towards bursary special schools totalling to Ksh 27,200,000 translating to 19.8% instead of the minimum budget ceiling of 25% of the total allocation of Ksh.s. 137,088,879. Maximum budget ceiling of 35% includes the social security programme which the constituency is yet to adopt The mentioned Kshs.188,505,412 was the final budget figure</p>	Not Resolved	31/12/2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>which included balance brought forward from the previous financial year .</p> <p>The constituency demand for bursary is around Ksh 27,000,000 as per the committee projection over the years. Increase of this allocation could have led to unutilised bursary funds at the end of the financial year. In light of this, the committee resolved not to allocate the minimum legal budgetary threshold but instead prioritize the completion of on-going projects so that they could be put into immediate use.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>



David Agong
 Fund Account Manager.

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