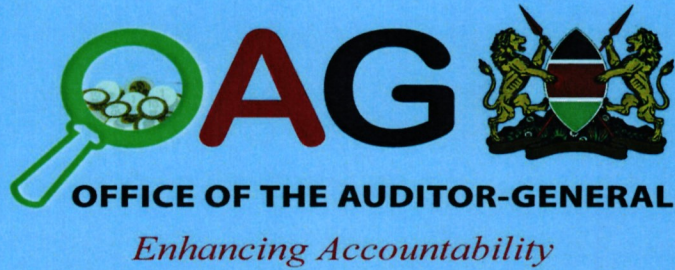



REPUBLIC OF KENYA



**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

 THE NATIONAL ASSEMBLY OF KENYA	
DATE: 23 NOV 2022	DAY: Wednesday
TABLED BY:	Majority Whip
THE AUDITOR-GENERAL Christine	

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – NYAKACH CONSTITUENCY**

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

*Revised Template 30<sup>th</sup> June 2021*



---

**NYAKACH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

---

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

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

**Table of Contents**

Table of Contents.....	1
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	2
II. NG-CDFC CHAIRMAN’S REPORT .....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES .....	8
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING .....	10
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	13
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- NYAKACH CONSTITUENCY</i> .....	14
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	15
VIII. STATEMENT OF ASSETS AND LIABILITIES .....	16
IX. SUMMARY STATEMENT OF APPROPRIATION.....	15
X. BUDGET EXECUTION BY SECTORS AND PROJECTS .....	20
XI. SIGNIFICANT ACCOUNTING POLICIES.....	20
XII. NOTES TO THE FINANCIAL STATEMENTS.....	24
16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS .....	29

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

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**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

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

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 Nyakach 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 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Moses Tolo Karakacha
2.	Sub-County Accountant	Sylvester Onyango Olengo
3.	Chairman NGCDFC	Joel Onono McOdongo
4.	Member NGCDFC	Henry Okoth Odingo

**(d) Fiduciary Oversight Arrangements**

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

**(e) Nyakach Constituency NGCDF Headquarters**

P.O. Box 169-40111,  
Constituency office Building,  
Pap Onditi Market,  
PAP ONDITI, KENYA

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

---

(f) Nyakach Constituency NGCDF Contacts

Telephone: (254) 723 89 66 42  
E-mail: [cdfnyakach@ngcdf.go.ke](mailto:cdfnyakach@ngcdf.go.ke)  
Websites: [www.go.ke](http://www.go.ke) and [Nyakach.ngcdf.go.ke](http://Nyakach.ngcdf.go.ke)

(g) Nyakach Constituency NGCDF Bankers

Kenya Commercial Bank  
SONDU Branch

(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

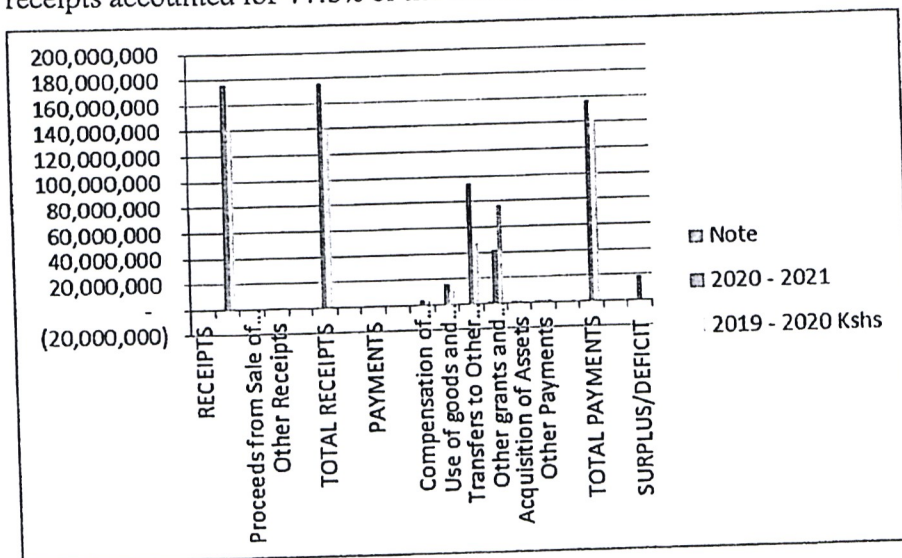
*Nyakach Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**II. NG-CDFC CHAIRMAN'S REPORT**



Joel Onono MacOdongo  
Chairman  
Nyakach NG-CDF

The Nyakach National Government Constituency Development Fund received Kshs 175,656,068, one hundred seventy five million six hundred fifty six thousand and sixty eight shillings in the financial year ended. This amount included Kshs 67,117,724 as arrears from the previous years and disbursements of Kshs 96,250,000 from the budget of the financial year ended. The year ended 30<sup>th</sup> June 2021 had a balance of kshs 45,088,879 carried down as the balance due from the board from the budget of Kshs 137,088,879. The amount of kshs 12,288,344 was from the balances brought down and the AIA. These receipts accounted for 77.5% of the monies due from the board.



The graphs show that the year ended 30<sup>th</sup> June 2021 in terms of receipts and payments, performed better than the previous year.

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

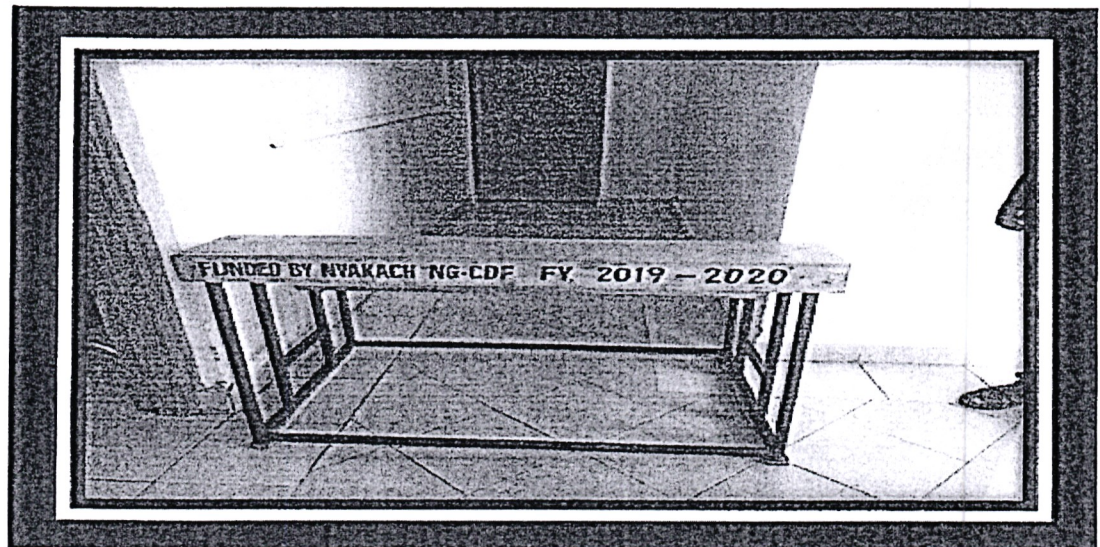
---

Through the enhanced receipts the committee was able to implement most of the projects within the financial year.

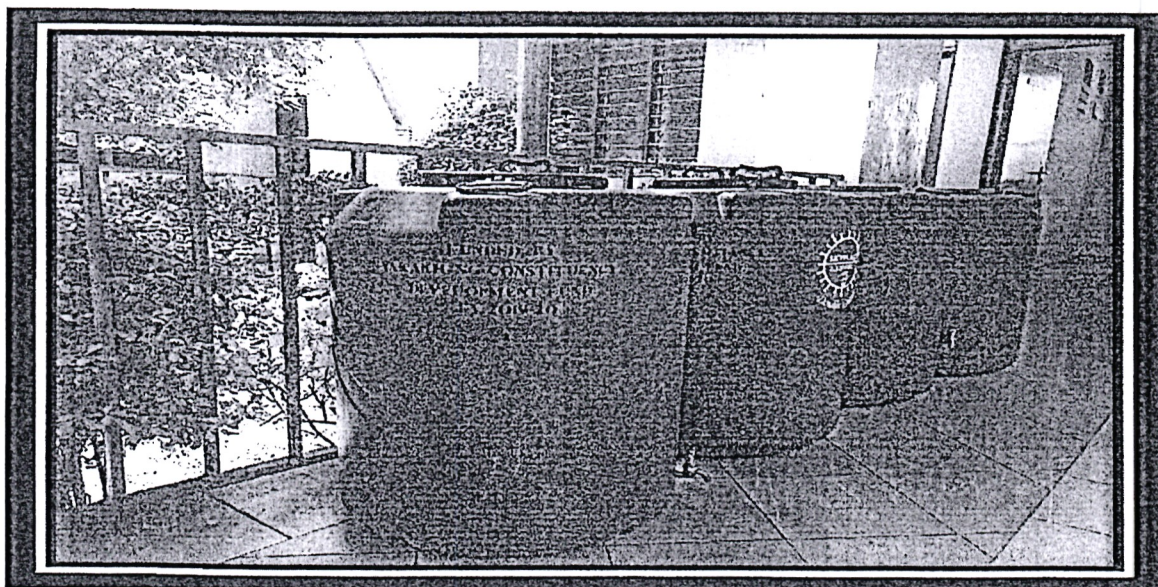
Notably, the following trademark projects were implemented at the closure of the year.

1. Purchase and distribution of 2,500, two thousand five hundred desks to fifty primary schools.

Prototype school desk



2. Purchase and distribution of 450 hand washing tanks to 90 Schools to mitigate the covid-19 pandemic.

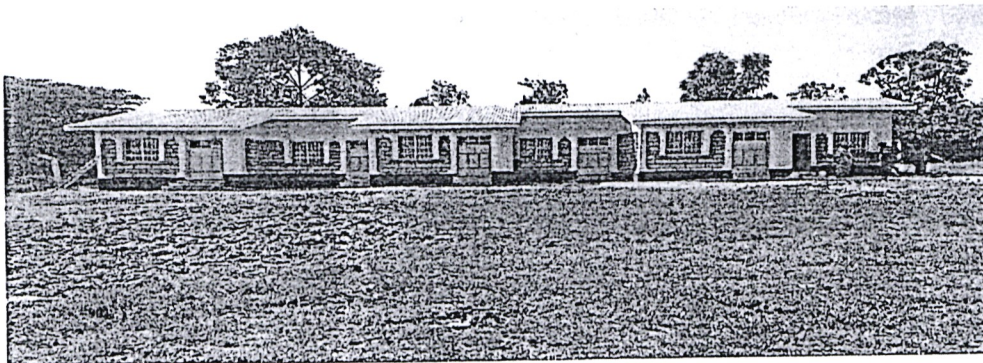
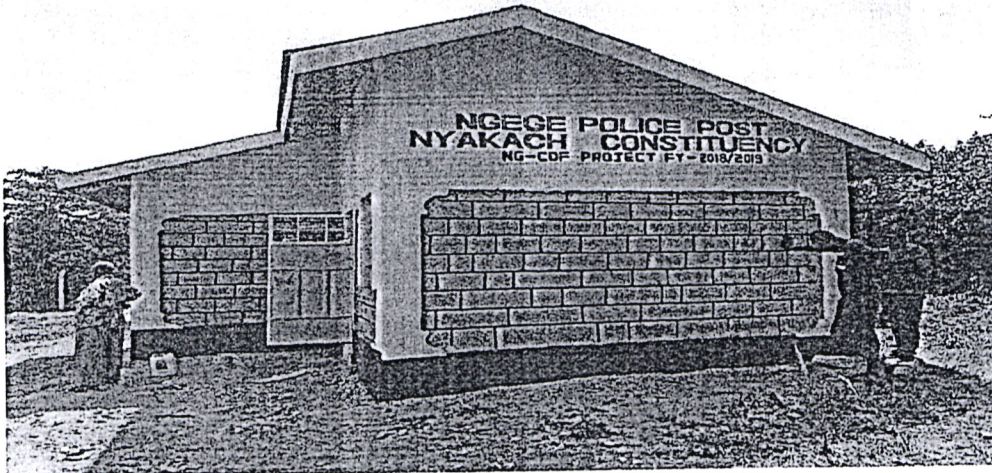




*Nyakach Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

---

3. Ngege Police Post-Housing Units



The constituency continues to receive numerous requests to provide resources for infrastructure development in schools and security projects. The demand for bursary during the year showed that our allocations were inadequate. The total budget for bursaries was over kshs 38,000,000 in the year.

The challenges experienced during the year under review included;

- i. Delayed funding. Only 70% of the budget was funded during the year from the allocation of Kshs 137,088,987
- ii. The public works office had only one staff who struggled to design and supervise our projects. This office additional staff.
- iii. The covid-19 pandemic continued to impact negatively on the implementation of projects due to the strict containment measures.
- iv. The bursary allocation in the year was inadequate compared to the demand. This vote require allocations of over Kshs 50,000,000 per year.

Joel Onono McOdongo  
Chairman  
NYAKACH NGCDF COMMITTEE

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

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

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

The key development/sectorial objectives of the *Nyakach Constituency 2018-2022* strategic plan are:

- a) Improved the schools learning environment by expanding and improving the education infrastructure in the constituency by the year 2023
- b) Promote peaceful coexistence by strengthening security structures within the constituency
- c) Increase employability and productivity by empowering the community
- d) Ensure talent identification and development through sports
- e) Promote environmental sustainability and coping mechanisms

**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:

Sector	Objective	Outcome	Indicator	Performance
Education	Improve the schools learning environment by expanding and improving the education infrastructure in the constituency by the year 2023	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2020/21 -we constructed 20 more classrooms in schools, 3 more dormitories, and one laboratory. We purchased 2,500 desks for 50 primary schools and also supplied 450 hand washing tanks to 90 schools. - We funded bursary for needy students in secondary schools and tertiary institutions. This fund utilised

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

				Kshs 40,000,000
Security	Promote peaceful coexistence by strengthening security structures within the constituency	Increased number of police stations and out posts for easy access to security services and benefits.	Number of police stations constructed, upgraded and modernised. Number of chiefs offices constructed and equipped Number of police houses built	-Two police post were upgraded and gazetted. -chiefs camps were constructed - we constructed 15 police housing units
Environment	Promote environmental sustainability and coping mechanisms	Conservation of the environment for sustainable livelihoods	Number of environmental improvement initiatives	Provided 450 hand washing tanks to 90 schools to mitigate the COVID-19 pandemic.
Sports	Ensure talent identification and development through sports	Nurture youth talents in sports for leisure, recreation and income generation	Facilitate sports tournaments, events. Supply sporting equipment and gear	Supplied assorted uniforms and balls for football and athletics.

---

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.**

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

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

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

**2. Environmental performance**

During the year under review the committee provided 450 hand washing tanks to 90 schools to mitigate the COVID-19 pandemic.

Furthermore, during the year the committee supplied assorted uniforms and balls for football and athletics to selected teams to promote sporting activities. The tournaments were not held due to the prevailing corona virus pandemic.

### **3. Employee welfare**

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

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

Nyakach NG-CDF 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 are 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.

NG-CDF has put in efforts to ensure:

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

### **5. Community Engagements-**

Nyakach NG-CDF 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.

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

---

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

**Public Awareness**

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

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

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

---

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

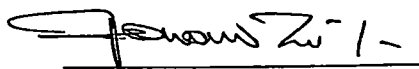
The Accounting Officer in charge of the NGCDF-Nyakach constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Nyakach constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Nyakach constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Nyakach 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- Nyakach constituency financial statements were approved and signed by the Accounting Officer on August 30<sup>th</sup> 2021.



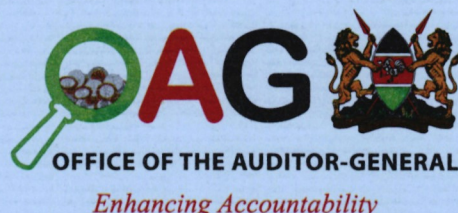
Chairman Ngcdf Committee  
Name: Joel Onono McOodongo



Fund Account Manager  
Name: Moses T Karakacha

# REPUBLIC OF KENYA

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



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

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

---

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Nyakach Constituency set out on page 15 to 48, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the

*Report of the Auditor-General on National Government Constituencies Development Fund - Nyakach Constituency for the year ended 30 June, 2021*



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

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

### **Basis for Qualified Opinion**

#### **1. Unconfirmed Cash and Cash Equivalents Balance**

The statement of financial assets and liabilities and as disclosed in Note 10A to the financial statements, reflect a balance of Kshs.21,735,492 in respect of cash and cash equivalents. However, review of the bank reconciliation statements for the month of June, 2021 revealed the following:

- (i) Un-presented cheques amounting to Kshs.12,205,564 which included unexplained cheques overstatement amounting to Kshs.1,054,000.
- (ii) Stale cheques totalling to Kshs.57,123 had not been written back to the cash book and some were more than two years old.
- (iii) Payments in bank statement but not recorded in cash book amount of Kshs.696,437 included Kshs.30,497 which related to bank charges since 2019 and Kshs.666,000 related to unexplained and unsupported understatements of cheques in the cash book.
- (iv) Receipts in the bank not in the cash book totalling to Kshs.166,000 for deposits purportedly done between 7 October, 2019 and 31 December, 2020 which had not been recorded in the cash books as the depositors' details were unknown; and
- (v) Receipts in the cash book totalling Kshs.52,000 that were over one month old which had not been credited in the bank statements.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.21,735,492 could not be confirmed.

#### **2. Unsupported Expenditure on Use of Goods and Services**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.16,198,499 and as disclosed in Note 5 to the financial statements. However, an amount of Kshs.9,887,493 was supported leaving an amount of Kshs.6,311,006 as unsupported expenditure, all related to payments made to Fund officers.

In the circumstances, the completeness and accuracy of the use of goods and services expenditure could not be confirmed.

### **3. Other Grants and Transfers**

#### **3.1 Unsupported Bursary Disbursements -Tertiary Institutions**

The statement of receipts and payment and as disclosed in Note 7 to the financial statement reflects other grants and transfer amount of Kshs.36,382,230 which includes an expenditure of Kshs.17,446,900 for bursary to tertiary institutions. However, bursary awards to six (6) tertiary institutions amounting to Kshs.3,799,000 did not have acknowledgement receipts from the learning institutions.

In the circumstances, the authenticity of bursary disbursements amounting to Kshs,3,799,000 could not be confirmed.

#### **3.2 Unsupported Environment Project Payments**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.36,382,230 which includes an amount of Kshs.5,745,000 in respect of environment projects. The environment projects included 450 units of 230 litres tanks for hand washing which were distributed to various schools within the constituency at a contract sum of Kshs.2,697,672. However, the payment was not supported by documents such as tender advertisement for the supply of tanks, tender evaluation score sheets done by the Tender Evaluation Committee, inspection and acceptance report for goods received and goods delivery notes.

#### **3.3 Unsupported Sports Activities Payment**

The statement of receipts and payments reflects Kshs.36,382,230 under other grants and transfers out of which an amount Kshs.2,747,330 related to sports projects. The sports project amount included payment in respect of a supply through framework agreement which was awarded to a supplier at a contract sum of Kshs.2,610,030 for supply of sports items such as foot balls, football jerseys, football boots and trophies to support sports games in the constituency. However, framework agreement and contract in support of the procurement process were not provided for audit. Further, no documents were provided to confirm that the referred sports items were received, inspected, accepted and issued to beneficiaries.

In the circumstances, the completeness and accuracy of the other grants and transfer of Kshs.36,382,230 could not be confirmed.

#### **4.0 Unrecorded Emergency Payment**

Documents availed for audit included a payment of Kshs.600,000 made to Kosovo Primary School via cheque on 19 February, 2021 to aid in refurbishment of classrooms destroyed by strong winds. However, the payment was not included in the Fund ledgers even though the cheque had already cleared on the bank statement. Management did not explain the accounting treatment for the payment. This indicated an understatement of emergency expenses by Kshs.600,000.

In the circumstances, the accuracy of the emergency expenditure could not be confirmed.

## **5.0 Unsupported PMC Balances**

Note 17.4 to the financial statements and as detailed in Annex 5 reflects a balance of Kshs.22,254,687 for Project Management Committee bank accounts. However, the balance include an amount of Kshs.17,466,683 for thirty five (35) bank accounts which were not supported with certificate of bank balance as at 30 June, 2021.

As a result, the accuracy and existence of the Project Management Committee Bank Accounts of Kshs.22,254,687 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 - Nyakach Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final budgeted receipts of Kshs.222,905,679 and actual receipts of Kshs.171,154,730 resulting in budget shortfall of Kshs.51,750,948 or 23% of the approved budget. Similarly, the statement reflects final budgeted payments of Kshs.222,905,679 and actual payments of Kshs.149,419,237 resulting in net under expenditure of Kshs.73,486,442 or 33% of the budget.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

## **Basis for Conclusion**

### **1. Other Grants and Payments**

#### **1.1. Unjustified Expenditure on Non-Emergency Expenses**

Included in other grants and transfers amount of Kshs.36,382,230 as disclosed in Note 7 to the financial statements is an expenditure on emergency projects of Kshs.8,173,200. However, the emergency projects expenditure includes a payment amounting to Kshs.450,000 for repair of motor vehicle, which did not meet the emergency expenses criteria set under Section 8(3) of the National Government Constituencies Development Fund Act, 2015 as they related to National Government activities and were not in the approved annual work plan.

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

#### **1.2. Failure to Provide the Emergency Reserve Utilization Report**

The Management did not report the funded emergencies to the Board as stipulated in Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires utilization of the emergency reserve to be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

### **2. Emergency Expenditure Surpassed the 5% Allowable Ceiling**

The statement of receipts and payments and as disclosed in Note 7 reflects an amount of Kshs.36,382,230 for other grants and transfers, which includes an amount of Kshs.8,173,200 for emergency projects. The amount is over and above the legally allowed emergency expenditure threshold of Kshs.6,854,444 (5%) of total allocation of Kshs.137,088,879 by Kshs.1,318,756. This is contrary to Section 8(1) of the National Government Constituencies Development Fund Act, 2015 which provides that a portion of the Fund, equivalent to five per centum (hereinafter referred to as the "Emergency Reserve") shall remain unallocated and shall be available for emergencies that may occur within the Constituency.

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

### **3. Poor Workmanship – Nyando Boys Boarding Primary School**

Review of the implementation of the Fund projects revealed that the Fund transferred Kshs.900,000 to Nyando Boys Boarding Primary School for construction of 14 door pit latrines. However, audit verification of the project conducted on 7 April, 2022 revealed the following anomalies:

- (i) Doors worth Kshs.158,000 to all latrines had not been done as provided for under item 5 of the Bill of Quantities.
- (ii) Rain water collection gutters worth Kshs.41,970 had not been fixed as provided for under item 4 of the Bill of Quantities.

(iii) The contractor did 12 latrines instead of 14 and they were not proportionally built.

(iv) Floors were poorly done.

(v) Pit holes had no raised stands for ease and comfort during use by pupils.

In the circumstances, value for money may not have been received in respect of the project.

#### **4. Project Implementation Status**

The Project Implementation Status (PIS) report as at 30 June, 2021 provided, revealed that the Fund planned to implement eighty-four (84) projects at a budget of Kshs.133,088,879. Further the report indicates that thirteen (13) projects costing Kshs.24,600,000 under education and security had not started while one (1) project costing Kshs.16,947,051 was on going.

In the circumstances, it was not possible to confirm whether the public obtained value for money from the incomplete projects.

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 effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

##### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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 Fund's financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 Fund's policies and procedures may deteriorate.

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**30 September, 2022**

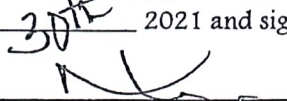


*Nyakach Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

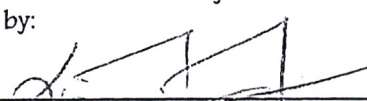
**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	163,367,724	140,074,404
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	11,000	-
<b>TOTAL RECEIPTS</b>		<b>163,378,724</b>	<b>140,074,404</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,910,510	3,474,938
Use of goods and services	5	16,198,499	10,908,070
Transfers to Other Government Units	6	92,510,998	47,729,423
Other grants and transfers	7	36,382,230	76,981,717
Acquisition of Assets	8	67,000	-
Other Payments	9	350,000	1,825,000
<b>TOTAL PAYMENTS</b>		<b>149,419,237</b>	<b>140,919,147</b>
<b>SURPLUS/ (DEFICIT)</b>		<b>13,959,487</b>	<b>(844,743)</b>

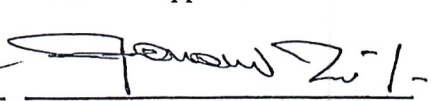
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nyakach constituency financial statements were approved on August 30<sup>th</sup> 2021 and signed by:

  
Fund Account Manager

Name: Moses T Karakacha  
ICPAK M/No: 14662

  
National Sub-County  
Accountant

Name: Sylvester O. Olengo  
ICPAK M/No: 24730

  
Chairman NG-CDF Committee


Name: Joel O. McOdongo

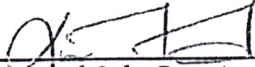
Nyakach Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021

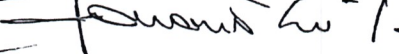
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	21,735,492	2,826,006
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>21,735,492</b>	<b>2,826,006</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>21,735,492</b>	<b>2,826,006</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>21,735,492</b>	<b>2,826,006</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.	13	2,826,005	3,670,749
Prior year adjustments	14	4,950,000	-
Surplus/Deficit for the year		13,959,487	(844,743)
<b>NET FINANCIAL POSITION</b>		<b>21,735,492</b>	<b>2,826,006</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nyakach constituency financial statements were approved on August 30<sup>th</sup> 2021 and signed by:

  
Fund Account Manager  
Name: Moses T Karakacha  
ICPAK M/No: 14662

  
National Sub-County  
Accountant  
Name: Sylvester O. Olengo  
ICPAK M/No:24730

  
Chairman NG-CDF Committee  
Name: Joel O. McOdongo

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

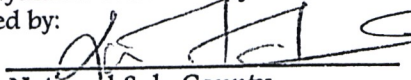
**IX. STATEMENT OF CASHFLOW**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	163,367,724	140,074,404
Other Receipts	3	11,000	-
<b>Total receipts</b>		<b>163,378,724</b>	<b>140,074,404</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	3,910,510	3,474,938
Use of goods and services	5	16,198,499	10,908,070
Transfers to Other Government Units	6	92,510,998	47,729,423
Other grants and transfers	7	36,382,230	76,981,717
Other Payments	9	350,000	1,825,000
<b>Total payments</b>		<b>149,352,237</b>	<b>140,919,147</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted for:	15	-	-
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	16	-	-
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	14	4,950,000	-
Prior year adjustments		4,950,000	-
<b>Net Adjustments</b>		<b>18,976,487</b>	<b>-</b>
<b>Net cash flow from operating activities</b>			<b>(844,743)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	67,000	-
<b>Net cash flows from Investing Activities</b>		<b>(67,000)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>18,909,487</b>	<b>(844,743)</b>
Cash and cash equivalent at BEGINNING of the year	10	2,826,005	3,670,749
Cash and cash equivalent at END of the year		21,735,492	2,826,005

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Nyakach constituency financial statements were approved on August 30<sup>th</sup> 2021 and signed by:

  
Fund Account Manager

Name: Moses T Karakacha  
ICPAK M/No: 14662

  
National Sub-County  
Accountant

Name: Sylvester O. Olengo  
ICPAK M/No: 24730

  
Chairman NG-CDF Committee

Name: Joel O. McOdongo

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

X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	7,776,006	78,029,794	222,894,679	171,143,730	51,750,948.90	76.8%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	11,000.00	-	11,000	11,000.00	-	0.0%
<b>TOTALS</b>	<b>137,088,879</b>	<b>7,787,006</b>	<b>78,029,794</b>	<b>222,905,679</b>	<b>171,154,730</b>	<b>51,750,949</b>	<b>76.8%</b>
PAYMENTS							
Compensation of Employees	3,437,469	50,800	422,241	3,910,510	3,910,510	-	100.0%
Use of goods and services	9,249,729	7,725,206	4,422,370	21,397,305	16,198,499	5,198,806	75.7%
Transfers to Other Government Units	55,100,000	-	60,700,653	115,800,653	92,510,998	23,289,655	79.9%
Other grants and transfers	68,884,681	-	12,484,530	81,369,211	36,382,230	44,986,981	44.7%
Acquisition of Assets	67,000	-	-	67,000	67,000	-	100.0%
Other Payments	350,000	-	-	350,000	350,000	-	100.0%
Funds pending approval**	-	11,000	-	11,000	-	11,000	0.0%
Cashbook adjustment							
<b>TOTAL</b>	<b>137,088,879</b>	<b>7,787,006</b>	<b>78,029,794</b>	<b>222,905,679</b>	<b>149,419,237</b>	<b>73,486,442</b>	<b>67.0%</b>

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

(a) Commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. During the year under review, the budget was funded up to 77%. This impacted negatively on the budget plan execution.
- ii. All budget items performed below 90% except employees' compensation and purchase of assets.
- iii. The purchase of assets was expenditure from the allocation for goods and services. Therefore, its performance viewed from the overall budget was below the threshold of 90%.

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

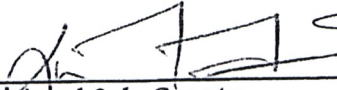
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount (Kshs)
Budget utilisation difference totals	73,486,441
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	51,750,949
	21,735,492
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	21,735,492

The NGCDF-Nyakach constituency financial statements were approved on August 30<sup>th</sup> 2021 and signed by:

  
Fund Account Manager

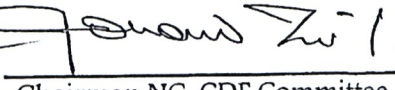
Name: Moses T Karakacha

ICPAK M/No: 14662

  
National Sub-County  
Accountant

Name: Sylvester O. Olengo

ICPAK M/No:24730

  
Chairman NG-CDF Committee

Name: Joel O. McOdongo

**XI. TRIAL BALANCE**

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

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of receipts**

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

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash equivalents**

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

**7. Accounts Receivable**

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

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

---

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. Errors**

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

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



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

---

**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.

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

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
AIE DISBURSEMENT FROM THE NGCDF BOARD	Kshs	Kshs
B041027		13,000,000
B047125		1,000,000
B047122		3,200,000
B047233		53,868,462
B041177		4,000,000
B104112		10,000,000
B047842		16,000,000
B104228		1,005,942
B104447		20,000,000
B096633		18,000,000
B104772	30,000,000	
B104832	37,117,724	
B124643	9,000,000	
B119613	8,500,000	
B124785	2,000,000	
B128003	13,000,000	
B128244	6,900,000	
B132006	6,000,000	
B132300	6,000,000	
B138969	12,000,000	
B126261	7,000,000	
B105153	2,250,000	
B105056	11,600,000	
B140700	12,000,000	
<b>TOTALS</b>	<b>163,367,724</b>	<b>140,074,404</b>

2. PROCEEDS FROM SALE OF ASSETS

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

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	11,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>11,000</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,556,995	3,287,234
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,188,131	-
Employer Contributions Compulsory national social security schemes	165,384	187,704
<b>Total</b>	<b>3,910,510</b>	<b>3,474,938</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	5,397,200	1,138,000
Utilities, supplies and services	2,644,572	5,375,070
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	3,327,500	-
Hospitality supplies and services	-	-
Other committee expenses	2,451,300	3,665,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,459,631	-
Other operating expenses	341,156	730,000
Routine maintenance – vehicles and other transport equipment	577,140	-
Routine maintenance – other assets	-	-
<b>Total</b>	<b>16,198,499</b>	<b>10,908,070</b>

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	64,210,998	34,800,000
Transfers to secondary schools (see attached list)	28,300,000	11,929,423
Transfers to tertiary institutions (see attached list)	-	1,000,000
<b>TOTAL</b>	<b>92,510,998</b>	<b>47,729,423</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	750,000	22,510,036
Bursary – tertiary institutions (see attached list)	17,446,900	25,393,958
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	50,800	-
Security projects (see attached list)	569,000	19,121,705
Sports projects (see attached list)	2,747,330	2,668,050
Environment projects (see attached list)	5,745,000	2,180,818
Emergency projects (see attached list)	8,173,200	5,107,150
Sub county director of education office renovations project	900,000	-
<b>Total</b>	<b>36,382,230</b>	<b>76,981,717</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	67,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
<b>Total</b>	<b>67,000</b>	<b>0</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	350,000	1,825,000
ICT Hub	-	-
	-	-
<b>TOTAL</b>	<b>350,000</b>	<b>1,825,000</b>

**10: CASH BOOK BANK BALANCE**

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

	2020-2021	2019-2020
Name of Bank, Account No. & currency	Kshs	Kshs
<i>KCB-SONDU BRANCH, Account No. 1104034220</i>	21,735,492	2,826,006
<b>Total</b>	<b>21,735,492</b>	<b>2,826,006</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

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

**12B. GRATUITY**

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

**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	2,826,005	3,670,749
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>2,826,005</b>	<b>3,670,749</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	2,826,006	4,950,000	7,776,006
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
TOTAL	2,826,006	4,950,000	7,776,006

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

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

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	-	473,041
Use of goods and services	5,198,806	12,147,576
Amounts due to other Government entities (see attached list)	23,289,655	60,700,653
Amounts due to other grants and other transfers (see attached list)	44,986,981	12,484,530
Acquisition of assets	-	-
AIA	-	-
Funds pending approval	11,000	-
<b>TOTAL</b>	<b>73,486,442</b>	<b>85,805,800</b>



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5 for schedule)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached schedule)	22,254,687	-

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

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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

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

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

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

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

**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21 Kshs	Outstanding Balance 2019/20 Kshs	Comments
Compensation of employees	30.6.2021 Balance c/down	-	422,241	complete
Use of goods & services	Balance c/down	5,198,806	4,422,370	
Sub Total 1		5,198,806	4,844,611	
<b>Amounts due to other Government entities</b>				
<b>PRIMARY SCHOOLS</b>				
Acheho Primary school	Purchase of 30 school desks	117,683	40,900,653	projects funded
Agai Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Anding'o Bware Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Anding'o Olasi Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Anding'o Opanga Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Aomo Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Asawo Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Bala Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Bugo Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board
Cherwa Primary school	Purchase of 30 school desks	117,683		waiting for funding from the board

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

Kabondo Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Kabuya Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Kachan Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Kasawo Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Keyo Nydundo Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Kobeto Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Kogola Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Kokungu Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Lisana Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Maraba Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Ndori BC Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Ndori RC Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Nyadina Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Nyagweno Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Nyakwere Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Nyalinganya Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Nyalunya Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board

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

Nyamirimba Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Nyamarambe Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Nyong'ong'a Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Obanda Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Oboch Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Olwa Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Onwang'o Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Onyuongo RC Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Oremo Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Pawtenge Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Rachier Primary school	Purchase of 30 school desks	117,683	waiting for funding from the board
Ragen AIC Primary school	Purchase of 30 school desks	117,686	waiting for funding from the board
<b>SECONDARY SCHOOLS</b>		19,800,000	projects funded
Cherwa Secondary School	Purchase of 46 seater school bus	7,100,000	waiting for funding from the board
Mbugra Secondary School	Purchase of 46 seater school bus	7,100,000	waiting for funding from the board
Cherwa sec school	Additional funding for purchase of 46 seater school bus	1,000,000	waiting for funding from the board

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

Mbugra sec school	Additional funding for purchase of 46 seater school bus	1,000,000	waiting for funding from the board
Moro sec school	Additional funding for purchase of 46 seater school bus	1,000,000	waiting for funding from the board
Sango buru sec school	Additional funding for purchase of 46 seater school bus	1,000,000	waiting for funding from the board
Apondo Kasays sec school	Completion of 300 capacity dormitory	500,000	waiting for funding from the board
<b>Sub-Total 2</b>		<b>23,289,655</b>	
<b>Amounts due to other grants and other transfers</b>			
Bursary-secondary schools	Pay fees for needy students in secondary schools	19,250,000.00	waiting for funding from the board
bursary-tertiary	Pay fees for needy students in tertiary institutions	311,218.00	waiting for funding from the board
Emergency	unutilized	2,642,207.00	3,623,200
Environment	Facilitate environmental projects	3,745,000	waiting for funding from the board
sports	facilitate sports tournaments	2,283,555.68	2,747,330
Sub county education office	Renovate office	900,000	project funded
<b>Security projects</b>			
Bolo Chief's office	Completion six-roomed chiefs office: Roofing, Fittings Plastering and painting	2,000,000	waiting for funding from the board

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

Kabodho west chiefs office	Completion six-roomed chiefs office: Fittings Plastering and painting	1,000,000		waiting for funding from the board
Kapsorok police post	Construction of 3 police residential houses to completion	3,900,000		waiting for funding from the board
Katito Police station	Construction of Administration block comprising of 11 offices and 3 cells to completion (remaining activity- construction of armory, 3 door toilets, 3 bathrooms and fencing of police station	5,000,000		waiting for funding from the board
Ogoro Police Post	Construction of Administration block comprising of 11 offices and 3 cells to completion (remaining activity- construction of armory, 3 door toilets, 3 bathrooms and fencing of police station	5,000,000		waiting for funding from the board
Thuridibuoro Chiefs hall	Construction of 100 capacity hall to completion	3,000,000		waiting for funding from the board
Nyakach SCDE Office-pit latrines	Construct 6-door pit latrines	600,000		waiting for funding from the board
<b>Sub-Total 3</b>		<b>44,986,980.68</b>		



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

Acquisition of assets				
Nil		0		
Others (specify)		0		
NIL		0		
NIL		0		
		0		
	Sub-Total			
		11000		
Funds pending approval				
	Grand Total	73,486,442	78,79,794	

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

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	554,800	0	0	554,800
Buildings and structures	8,000,000	0	0	8,000,000
Transport equipment	8,837,350	0	0	8,837,350
Office equipment, furniture and fittings	1,877,500	67,000	0	1,884,200
ICT Equipment, Software and Other ICT Assets	2,255,409	0	0	2,255,409
Other Machinery and Equipment	43,000	0	0	43,000
Heritage and cultural assets	-	0	0	-
Intangible assets	-	0	0	-
<b>Total</b>	<b>21,568,059</b>	<b>67,000</b>	<b>0</b>	<b>21,635,059</b>

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

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

Project Management Committee Account Name	Account No.	Bank/Branch	Balance As At
			30.6.2021
			Kshs
Apondo Kasaye Primary School	1117013525001	CO-OPERATIVE BANK -H-BAY	1,000
Nyamanyinga Primary School	1141013668900	CO-OPERATIVE BANK -KSM	2,325
Akado Primary School	290280472862	EQUITY BANK-KISUMU	483
Soko Primary school	1119479665	KCB-SONDU	3,180
Asawo Primary School	1117142019	KCB-SONDU	3,103
Lisana Primary School	1135604606	KCB-SONDU	600,864
Lwanda High School	1134388497	KCB-SONDU	600,060
Bodi Primary School	1234500884	KCB-SONDU	1,843
Achego Primary School	1267655542	KCB-SONDU	700,480
Rae Mixed Primary School	1281302686	KCB-SONDU	254
Nyabola Secondary School	1286753406	KCB-SONDU	499,395
Siany Mixed Secondary School	1250744865	KCB-SONDU	570,185
Otho Abwao Primary School	1236955064	KCB-SONDU	828
Pundo Primary School	1116999226	KCB-SONDU	1,119
Willam Booth BarkawarindaSecondary School	1265074321	KCB-SONDU	500,374
Ochwado Primary School	1201780551	KCB-SONDU	501,099
St.Hillarius Nyabondo Mixed Secondary	1137534966	KCB-SONDU	1,501,452
Dirubi Secondary School	1234848457	KCB-SONDU	74,627
Ng'omo Primary School	1234674149	KCB-SONDU	502,927
Kosogo Primary School	1152866524	KCB-SONDU	516,730
St.Marys Kananda Primary School	1281030465	KCB-SONDU	963
Kawili Primary School	1235100677	KCB-SONDU	200,674
St. Patricks Obange Primary School	1237250161	KCB-SONDU	455,356
Ndori RC Primary school	1251188591	KCB-SONDU	2,410
Miriu Mixed Secondary School	1129340406	KCB-SONDU	278
Ramula Odowa Primary School	1234705540	KCB-SONDU	592
Apoko Mixed Secondary School	1163697826	KCB-SONDU	1,454
Holo Secondary School	1283008084	KCB-SONDU	46,083
Nyakach ng-cdf bus project	1283811979	KCB-SONDU	7,253,195
Kapsorok police post project	1271457849	KCB-SONDU	94,675
Ngege police post project	1262489679	KCB-SONDU	1,453,985
Nyakach ng-cdf desks project	1281030392	KCB-SONDU	1,686,192
Obanda primary school-bridge project	1286846730	KCB-SONDU	1,998,975
Thurdibuoro chiefs office project	1267877103	KCB-SONDU	8,827
St.Patricks Obange Secondary school	1131451376	KCB-UNITED MALL	3,388
Nyalunya Primary School	1224024368603	NATIONAL BANK KISUMU	2,070

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

Thurgem Primary School	1224023798202	NATIONAL BANK KISUMU	1,002,329
Rarieda Kokech Primary school	1224023782903	NATIONAL BANK KISUMU	694
St. Aloys Gem Primary school	1022231718600	NATIONAL BANK KISUMU	1,550
Mbugra Primary School	1022232398300	NATIONAL BANK KISUMU	850
Tulu Primary School	1522208666600	NATIONAL BANK KISUMU	200
Kabuya Primary School	1224024377203	NATIONAL BANK KISUMU	951,285
Wasare Primary School	1224026110401	NATIONAL BANK-KISUMU	502,000
Sangoro Primary school	1131572009	KCB-SONDU	433
Nyong'ong'a Primary school	1022232831400	National bank- Kisumu	1,275
Ogeka Primary school	1154411133	KCB-SONDU	1,234
St. Jeromo Anding'o Olasi Primary	1238995543	KCB-SONDU	1,395
<b>GRAND TOTAL</b>			<b>22,254,687</b>

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

**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)
KSM/NYAKACH/NGCDF/2019/2020(2)	Financial Statements Review	We wish to submit the revised financial statements for the year ended 30 <sup>th</sup> June 2020 as per the report marked NYAKACH/OAG/2021/1	resolved	21.3.2021
	Transfers To Other Government Units-Unsupported	The journal entries are annexed marked, NYAKACH/OAG/2021/1 1/2	resolved	
	Untagged Assets	The assets have been tagged	resolved	30.4.2021
	Misstatement Of Cash And Cash Equivalents	We acknowledge that as at 30 <sup>th</sup> June 2020, there were a number of presented cheques in the reconciliation. These cheques constituted mostly bursary cheques which were	resolved	30.4.2021

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

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>prepared for beneficiaries. However, due to the effects of Covid-19 pandemic on schools, a number of cheques were never presented to the bank. We have since reversed the cheques that were stale and replaced them accordingly. See the attached extracts of cashbook for the financial year 2020/2021 marked NYAKACH/OAG/2021/48</p>		
		<p>On a recorded payment in the cashbook of Cheque No. 12114 payable to Ngege Police station was erroneously recorded in the cashbook as Kshs. 5,500,000 instead of Kshs. 550,000. This was human error but has since been corrected in the current financial year 2020/2021. See the attached</p>	resolved	1.7.2020

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

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)
		extract copy of the cashbook marked, NYAKACH/OAG/2021/49-50.		
	Other grants and transfers	We wish to submit the journal entries that give effect to the transfers. See the annex marked NYAKACH/OAG/2021/2.  The expenditure of the improvement of the perimeter wall was meant to enhance the security of the premises due to the frequent burglaries that have occurred in recent times where even property has been lost. The events have been reported to	resolved	30.4.2021

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

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 police as per the report marked            NYAKACH/OAG/2021/51</p> <p>The cash payment under sports has been classified appropriately as per the financial statements marked            NYAKACH/OAG/2021/1.</p> <p>The payment to Utumbe enterprises of Kshs 571,000 related to the improvement of a road linking schools. This is allowed so long as the road leads to a public school.            NYAKACH/OAG/2021/52.</p>		



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

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)
	Implementation Of Bills Of Quantities.	<p>The total amount approved of kshs 4,500,000 was to construct 9 units at Kaprorok police post. The amount of kshs 3,000,000 was approved for six single units as per the attached annexes marked, NYAKACH/OAG/2021/53</p> <p>The office Ngege police post office block has eleven rooms (offices) and not seven rooms as reported.</p> <p>The amount of kshs 550,000 approved for the construction of pit latrines at Ngege police post. This work was quantified for two door pit</p>	resolved	30.4.2021

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

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>latrines. The implementation of three doors (two door latrines and one door bathroom) was an advantage to the committee. See the annex marked, NYAKACH/OAG/2021/54</p> <p>The amount of kshs 500,000 approved for the construction of pit latrines at Pap Onditi police station was quantified for two door pit latrines. The implementation of three doors (two door latrines and one door bathroom) was an advantage to the committee. See the annex marked, NYAKACH/OAG/2021/55-68</p>		