

REPUBLIC OF KENYA



*Enhancing Accountability*



PARLIAMENT  
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LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND - TURKANA CENTRAL  
CONSTITUENCY**

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



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**TURKANA CENTRAL**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Turkana Central**  
**National Government Constituencies Development Fund (NGCDF)**  
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**Core Values**

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

**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 Turkana central 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	Ekeno R.Ng'uleny
2.	Sub-County Accountant	Henry Okumu
3.	Chairman NGCDFC	Ruth Itabo Kuya
4.	Member NGCDFC	Joseph Lomoti

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 512-30500  
Lodwar, KENYA

**(f) Turkana Central Constituency NGCDF Contacts**

Telephone: (254) 728482257  
E-mail: turkanacentral@ngcdf.go.ke  
Website: www.Turkanacentral.go.ke

**(g) Turkana Central NGCDF Bankers**

Kenya Commercial Bank (A/C1107296684)  
Lodwar Branch  
P.o Box  
LODWAR

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

II. NG-CDFC CHAIRMAN'S REPORT



In the financial year 2020/2021 the Turkana Central NG-CDF had an original budget of Kshs.137,088,879

Below is the summary of transfers to other government entities and other grants and payments.

Bursary - Secondary	20,329,600
Bursary -Tertiary	17,052,015
Security Projects	9,630,000
Sports Projects	2,741,350
Environment Projects	2,688,500
Emergency Projects	6,030,300
Transfers to Primary Schools	49,711,368
Transfers to Secondary Schools	20,482,250
<b>Total</b>	<b>128,665,383</b>

The Constituency has practiced good financial governance which is prudent in ensuring efficiency, effectiveness, responsiveness and accountability of public funds.

The effect of our multiple projects in the constituency is highly manifested by increase in job creation for the locals (especially youths, women and people with special needs), increase in literacy levels and an amazing reduction in school dropout rates,

We have also managed to take care of our constituents by distributing relief food, sanitizers, soaps and supply of small plastic tanks for hand washing.

*Turkana Central*  
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We have faced profound challenges during this financial year. The first being late disbursements of fund from the NG-CDF Board, floods, drought and the outbreak of covid 19. These challenges have greatly curtailed timely implementation of our projects.

However, despite the challenges we have faced during the financial year, we have managed to execute almost half of the projects in our code list.

Signature



CHAIRMAN NGCDF COMMITTEE



**Turkana Central**  
**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 objectives of Turkana Central *Constituency 2018-2022* plan are to: *(Enumerate all the objectives of the constituency as per the Strategic Plan)*

- a) Improve access to education to all children in the constituency
- b) Enhance peace and sustain security to all residents
- c) Promote sports and creative talent
- d) Help conserve environment

**Progress on attainment of Strategic development objectives**

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary's beneficiaries at all levels</li> </ul>	In FY 20/21 -we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To have safe environment	Security operations	Construction of chief offices	Construction of chief offices
Environment	Conservation and safeguarding environment	Protection of water areas and tree planting	Number of trees planted	Number of trees planted
Sports	Enhance talents	Increase in youth access to sports	Numbers of youth supported	Numbers of youth supported

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

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

- a. **Education and Training:** Turkana Central 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**

Turkana Central NG-CDF has supported tree planting in several primary schools by distributing seedlings and provision of water.

We also have public awareness programs through partnership to build capacity of youth and other vulnerable groups in drug abuse

We also support sports activities in the constituency and also holding end of year Lake Turkana Sports festival to unite all the communities along the Lake

### **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. Turkana Central 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. Turkana Central constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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-**

Turkana Central NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

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

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

**Public Awareness**

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

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

**Turkana Central  
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 Turkana Central National Government Constituencies Development Fund 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.

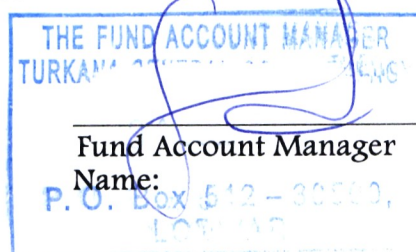
The Accounting Officer in charge of Turkana Central National Government Constituencies Development Fund accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International 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 Turkana Central National Government Constituencies Development Fund 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 Turkana Central National Government Constituencies Development Fund 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**

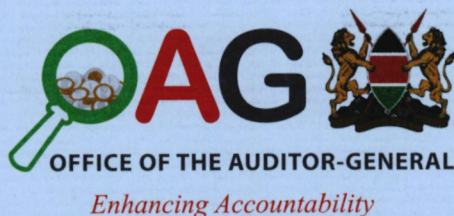
Turkana Central NGCDF financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2022.

  
\_\_\_\_\_  
Chairman NGCDF Committee  
Name:



# REPUBLIC OF KENYA

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

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### **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 the National Government Constituencies Development Fund - Turkana Central Constituency set out on pages 13 to 43, which comprise of the statement of assets and liabilities as at 30 June, 2021, and

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Constituencies Development Fund - Turkana Central 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 Public Finance Management Act, 2012 and with the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Understatement of the Cash and Cash Equivalents Balance**

The statement of assets and liabilities reflects bank balances of Kshs.2,616,090 held at a commercial bank as disclosed in Note 10A to the financial statements. Review of the bank reconciliation statement for the month of June, 2021 revealed unrepresented cheques amounting to Kshs.36,904,957 out of which cheques amounting to Kshs.6,616,272 had become stale and had not been reversed in the cashbook. This means that the cash book was understated by the amount of Kshs.6,616,272.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.2,616,090 could not be confirmed.

#### **2. Unconfirmed Project Management Committee Bank Balances**

Note 17.4 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.984,620 held in five (5) project management committee bank accounts as disclosed in Annex 5 to the financial statements. However, cash books, bank reconciliation statements, certificates of bank balance and bank statements for the five (5) bank accounts were not provided for audit review. Further, during the year, development funds amounting to Kshs.84,023,408 were disbursed for sixty- three (63) projects an indication of non-disclosure of at least fifty-eight (58) project management bank balances as at 30 June, 2021.

In the circumstances, the existence, accuracy and completeness of the Project Management Committee bank balances of Kshs.984,620 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 - Turkana Central 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**

### **Budget and Budgetary Control**

The summary statement of appropriation reflects final receipts budget of Kshs.195,639,099 against actual receipts of Kshs.154,267,724 resulting in under funding of Kshs.41,371,375 or about 21% of the budget. Similarly, the Fund spent Kshs.158,834,130 against an approved budget of Kshs.195,639,099 resulting in under expenditure of Kshs.36,804,969 or 19 % of the budget.

In the circumstances, the underfunding and under expenditure affected the Funds 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. Unsupported Transfers to Other Government Entities**

The statement of receipts and payments reflects transfer to other government entities amount of Kshs.70,193,618 as disclosed in Note 6 to the financial statements. The amount of Kshs.70,193,618 was transferred to a total of fifty-two (52) primary and secondary schools for construction of classrooms. However, the approved work and procurement plans were not provided for audit. This is contrary to Regulation 25(1) of the National Government Constituencies Development Fund Regulations, 2016 which states that the officer of the Board seconded to the Constituency shall prepare a detailed budget, procurement plan and work plan for the year, for the National Government Constituencies Development Fund Committee Office, and shall, within the first quarter of a new financial year, present them to the Committee for approval.

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



## **2. Unsupported Bursary to Secondary Schools and Tertiary Institutions**

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers amount of Kshs.58,471,765 which includes bursaries to secondary schools' and tertiary Institutions of Kshs.20,329,600 and Kshs.17,052,015 respectively.

However, evidence to confirm that vetting, identification and categorising of needy students was done by the bursary subcommittees was not provided. This is contrary to CDF Board circular reference No. VOL1/111 dated 13 September, 2010. In addition, evidence of acknowledgement of receipts and letters from the various institutions that received funds to support the bursary payments were not provided for audit review.

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

## **3. Environment Projects**

The statement of receipts and payments reflects other grants and other payments balance of Kshs.58,471,765 which includes environment projects expenditure totalling Kshs.2,688,500, as disclosed in Note 7 to the financial statements. The amount of Kshs.2,688,500 was paid to two suppliers for supply and delivery of seedlings for planting in various public schools. However, contracts between the Management and the suppliers were not provided for audit. Further, no evidence that the seedlings were delivered and taken on charge by the respective benefiting schools was provided for audit review.

In the circumstances, value for money on the expenditure of Kshs.2,688,500 on environment projects could not be confirmed.

## **4. Unsupported Security Projects**

The statement of receipts and payments reflects other grants and other payments amount of Kshs.58,471,765 which as disclosed in Note 7 to the financial statements includes transfers to security projects amounting to Kshs.9,630,000. However, procurement records such as procurement plans, tender opening, evaluation and award minutes were not provided for audit review. This is contrary to Section 78(1)(10) of the Public Procurement and Asset Disposal Act, 2015 which requires tender opening committee to open and prepare tender opening minutes and Section 80(4) of the Act which requires evaluation committee to evaluate and prepare evaluation reports. Further, expenditure returns and reports in support of the expenditures were not provided contrary to Regulation 25 of National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, Management was in breach of the law and the value for money on the expenditure of Kshs.9,630,000 on security projects could not be confirmed.

**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.

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

## **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**

The 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 controls 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 controls, risk management and overall governance.

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

22 September, 2022

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

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

	Note	2020 - 2021	2019 - 2020
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	154,267,724	141,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>154,267,724</b>	<b>141,040,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4	6,455,360	4,014,536
Use of goods and services	5	23,713,387	23,442,735
Transfers to Other Government Units	6	70,193,618	53,420,000
Other grants and transfers	7	58,471,765	51,603,764
Acquisition of Assets	8	-	2,000,000
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>158,834,130</b>	<b>134,481,035</b>
<b>SURPLUS/(DEFICIT )</b>		<b>(4,566,406)</b>	<b>6,559,841</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Turkana Central NGCDF financial statements were approved on \_\_\_\_\_ 2022 and signed by:

THE FUND ACCOUNT MANAGER  
 TURKANA CENTRAL NGCDF  
 Fund Account Manager  
 Name:  
 P. O. Box 812 - 30500,  
 10000

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

Chairman NG-CDF Committee  
 Name:

## VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	2,616,090	7,182,496
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>2,616,090</b>	<b>7,182,496</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,616,090</b>	<b>7,182,496</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>2,616,090</b>	<b>7,182,496</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	7,182,496	622,655
Prior year adjustments	14	-	-
Surplus/(Deficit) for the year		(4,566,406)	6,559,841
<b>NET FINANCIAL POSITION</b>		<b>2,616,090</b>	<b>7,182,496</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Turkana Central NGCDF financial statements were approved on 11/7/2022 2022 and signed by:

THE FUND ACCOUNT MANAGER  
TURKANA CENTRAL NGCDF  
Name:  
P.O. Box 512 - 30500,  
LODWAR

SUB COUNTY ACCOUNTANT  
TURKANA CENTRAL  
Name:  
ICPAK M/No:

Chairman NG-CDF Committee  
Name:

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

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2021

	Note	22020- 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	154,267,724	141,040,876
Other Receipts	3	-	-
		<b>154,267,724</b>	<b>141,040,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	6,455,360	4,014,536
Use of goods and services	5	23,713,387	23,442,735
Transfers to Other Government Units	6	70,193,618	53,420,000
Other grants and transfers	7	58,471,765	51,603,764
Other Payments	9	-	-
		<b>(158,834,130)</b>	<b>132,481,035</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(4,566,406)</b>	<b>8,559,841</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	2,000,000
<b>Net cash flows from Investing Activities</b>		-	<b>( 2,000,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(4,566,406)</b>	<b>6,559,841</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>7,182,496</b>	<b>622,655</b>
<b>Cash and cash equivalent at END of the year</b>		<b>2,616,090</b>	<b>7,182,496</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Turkana Central NGCDF financial statements were approved on 17/06/2022 and signed by:

**Fund Account Manager**  
 Name:  
 P.O. Box 512 - 30500,  
 LODWAR

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

**Chairman NG-CDF Committee**  
 Name:

## IX. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	Opening Balance (C/Bk) and AIA	b				
<b>RECEIPTS</b>							
Transfers from NG-CDF Board	137,088,879	7,182,496	51,367,724	195,639,099	154,267,724	41,371,375.00	79%
Proceeds from Sale of Assets	-	-	-	-	-	-	
Other Receipts	-	-	-	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>7,182,496</b>	<b>51,367,724</b>	<b>195,639,099</b>	<b>154,267,724</b>	<b>41,371,375</b>	<b>79%</b>
<b>PAYMENTS</b>							
Compensation of Employees	5,027,520	-	-	5,027,520	6,455,360	(1,427,840)	128%
Use of goods and services	7,310,479	1,182,496	4,067,724	12,560,699	23,713,387	(11,152,688)	189%



*Turkana Central  
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Transfers to Other Government Units	75,325,118	-	17,300,000	98,625,118	70,193,618	28,431,500	71%
Other grants and transfers	46,425,762	6,000,000	30,000,000	76,425,762	58,471,765	17,953,997	77%
Acquisition of Assets	3,000,000	-	-	3,000,000	-	3,000,000	0%
Other Payments	-	-	-	-	-	-	0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>7,182,496</b>	<b>51,367,724</b>	<b>195,639,099</b>	<b>158,834,130</b>	<b>36,804,969</b>	<b>81%</b>

**COMMENTARY ON BUDGET UTILISATION**

- i. *Transfers from Board received were 79% due to late disbursement of funds from the board*
- ii. *Employees compensation is rose above to 128% due to the accumulation of gratuity of staff*
- iii. *The overall budget performance was above average and could improve if the board disburses funds timely*


<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilization difference totals	36,804,969
Less undisbursed funds receivable from the Board as at 30th June 2021	34,188,879
	2,616,090
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	2,616,090

Turkana Central NGCDF financial statements were approved on 17/12/2022 2022 and signed by:

**THE FUND ACCOUNT MANAGER**  
**TURKANA CENTRAL CONSTITUENCY**  
 Fund Account Manager  
 Name:  
 P. O. Box 512 - 30500,  
 LODWAR

SUB COUNTY ACCOUNTANT  
 TURKANA CENTRAL

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

  
 Chairman NG-CDF Committee  
 Name:

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

**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>1.0 Administration and Recurrent</b>								
1.1 Compensation of employees	5,027,520				5,027,520	6,455,360	(1,427,840)	128
1.2 Committee allowances	1,917,813				1,917,813	1,917,813	-	100
1.3 Use of goods and services	1,280,000		1,182,496	4,067,724	6,530,220	17,682,908	(11,152,688)	271
<b>Total</b>	<b>8,225,333</b>		<b>1,182,496</b>	<b>4,067,724</b>	<b>13,475,553</b>	<b>26,056,081</b>	<b>(12,580,528)</b>	<b>193</b>
<b>2.0 Monitoring and evaluation</b>								
2.1 Capacity building	1,412,666				1,412,666	1,412,666	0	100
2.2 Committee allowances	2,000,000				2,000,000	2,000,000	-	100
2.3 Use of goods and services	700,000				700,000	700,000	-	100
<b>Total</b>	<b>4,112,666</b>		<b>-</b>	<b>-</b>	<b>4,112,666</b>	<b>4,112,666</b>	<b>0</b>	<b>100</b>
<b>3.0 Emergency</b>								
3.1 Primary Schools								
3.2 Secondary schools								
3.3 Tertiary institutions								
3.4 Security projects	6,030,300				6,030,300	6,030,300	-	

3.5 Unutilised	1,161,907	-	-	1,161,907	1,161,907	519
Total	7,192,207	-	-	7,192,207	1,161,907	84
4.0 Bursary and Social Security				-	-	
4.1 Secondary Schools	12,000,000	6,000,000	15,000,000	33,000,000	12,670,400	62
4.2 Tertiary Institutions	12,000,000		15,000,000	27,000,000	9,947,985	63
4.3 Social Security				-	-	
4.4 Special Needs				-	-	
Total	24,000,000	6,000,000	30,000,000	60,000,000	22,618,385	62
5.0 Sports				-	-	
5.1	2,741,778			2,741,778	428	100
Total	2,741,778	-	-	2,741,778	428	100
6.0 Environment				-	-	
6.1	2,741,778			2,741,778	53,278	98
Total	2,741,778	-	-	2,741,778	53,278	98
7.0 Primary Schools Projects				-	-	
Lodwar Mixed Primary School	1,250,000			1,250,000	-	100
Nakwamekwi Primary School	1,500,000			1,500,000	1,500,000	-
Chokcho Primary School	2,200,000			2,200,000	2,200,000	-
Marian Primary School	1,500,000			1,500,000	20,000	99
Lore Amatet Primary School	2,000,000		2,000,000	4,000,000	4,000,000	-
Loyo Primary School	250,000			250,000	250,000	100
Longech Primary School	2,300,000			2,300,000	820,000	64

**Turkana Central**  
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Lokipe Primary School	1,100,000				1,100,000	980,000	120,000	89
Lokwar Angikaleso Primary School	2,000,000				2,000,000	1,980,000	20,000	99
Nadoto Primary School	1,500,000				1,500,000	1,480,000	20,000	99
Merier Primary School	2,200,000				2,200,000		2,200,000	-
Kerio Primary School	1,500,000				1,500,000		1,500,000	-
Kaikol Primary School	1,100,000				1,100,000		1,100,000	-
Nakalale Primary School	1,100,000				1,100,000		1,100,000	-
Elelea Primary School	1,100,000				1,100,000		1,100,000	-
Lore Amatet Primary School	1,000,000				1,000,000	-	1,000,000	-
Kalokol Girls Primary School	1,500,000				1,500,000		1,500,000	-
Nabwel Ekorot Primary School	2,200,000				2,200,000		2,200,000	-
Lore Amatet Primary School					-	2,000,000	(2,000,000)	-
St.Daniel Comboni Girls				2,000,000	2,000,000	1,980,000	20,000	99
Natagilae Primary School					-	980,000	(980,000)	-
Nakudet Primary School					-	1,480,000	(1,480,000)	-
Nangolekuruk Primary School					-	980,000	(980,000)	-
Kalimapus Primary School	2,200,000				2,200,000		2,200,000	-
Namerisinyen Primary School	1,100,000				1,100,000	980,000	120,000	89
Lokatukon Primary School	1,100,000				1,100,000		1,100,000	-

Katamat Primary School	1,100,000			1,100,000	980,000	120,000	89
Nakepokan Primary School	1,100,000			1,100,000	980,000	120,000	89
Nakiria Primary School	500,000			500,000	480,000	20,000	96
Lochor Esekon Primary School	1,100,000			1,100,000	980,000	120,000	89
Canaan Primary School	1,500,000			1,500,000	-	1,500,000	-
Nayuu Primary School	1,100,000			1,100,000		1,100,000	-
Nadipoe Primary School	1,100,000			1,100,000	1,100,000	-	100
Kaikir Primary School	1,100,000			1,100,000		1,100,000	-
Kanamkemer Library School	1,500,000			1,500,000		1,500,000	-
Nakechichok Primary School		2,000,000		2,000,000	1,980,000	20,000	99
Natole Primary School				-	1,480,000	(1,480,000)	
Nakoroingora Primary School		1,500,000		1,500,000	1,480,000	20,000	99
Nangolpus Primary School		1,100,000		1,100,000	980,000	120,000	89
Nangorchoto Primary School				-	980,000	(980,000)	
Lokalalio Primary School		2,200,000		2,200,000	1,980,000	220,000	90
Lokatikon Primary School				-	980,000	(980,000)	
Kapokor Primary School				-	1,980,000	(1,980,000)	
Kakamera Primary School				-	1,980,000	(1,980,000)	
Longech Primary Kingfisher				-	800,000	(800,000)	

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

Moses Opondo					-	862,678	(862,678)	
Nadetamoyo Construction					-	245,690	(245,690)	
Iodwar Primary School					-	500,000	(500,000)	
Nikol consultants					-	2,000,000	(2,000,000)	
Lochor Esekon primary school					-	533,000	(533,000)	
Loyoro Primary School					-	1,480,000	(1,480,000)	
Namukuse Primary School					-	500,000	(500,000)	
Katula Primary School					-	1,980,000	(1,980,000)	
Napuu Primary School					-	980,000	(980,000)	
Nabulon Girls					-	1,480,000	(1,480,000)	
MoruOngor Primary School					-	1,980,000	(1,980,000)	
Kangirisae Primary School					-	980,000	(980,000)	
<b>Total</b>	<b>40,550,000</b>	<b>-</b>	<b>10,800,000</b>	<b>51,350,000</b>	<b>48,711,368</b>	<b>2,638,632</b>	<b>95</b>	
<b>8.0 Secondary Schools Projects</b>								
Loyo Mixed Secondary School	7,452,250			7,452,250		7,452,250		-
Pag Mixed Secondary School	7,370,618			7,370,618		7,370,618		-
Eliye Boys Secondary School	7,452,250			7,452,250		7,452,250		-
Napetet Secondary School						2,480,000	(2,480,000)	
						2,480,000	(2,480,000)	

Namukuse Mixed Secondary School				-	2,480,000	(2,480,000)	
Wakanda Girls High School			1,000,000	1,000,000	1,000,000	-	100
St.Kevins Secondary School			1,000,000	1,000,000	980,000	20,000	98
Loutrerei Secondary School			2,000,000	2,000,000	1,980,000	20,000	99
Kapua Secondary School			1,500,000	1,500,000	1,480,000	20,000	99
Nakurio Girls Secondary School	4,000,000			4,000,000	1,980,000	2,020,000	50
Kerio Boys Secondary School				-	162,250	(162,250)	-
Kapua Secondary School	2,500,000			2,500,000	2,480,000	20,000	99
Kalokol Mixed Day Secondary School	1,000,000			1,000,000	980,000	20,000	98
Moi High School Kalokol Secondary School	1,000,000			1,000,000		1,000,000	-
Wakanda Girls High	4,000,000			4,000,000	3,000,000	1,000,000	75
<b>Total</b>	<b>34,775,118</b>			<b>34,775,118</b>	<b>21,482,250</b>	<b>13,292,868</b>	<b>62</b>
<b>9.0 Tertiary institutions Projects</b>				-		-	
<b>Total</b>	-			-	-	-	
<b>10.0 Security Projects</b>				-		-	
Naoros Chiefs office	1,500,000			1,500,000		1,500,000	
Kakimat Chiefs office	1,500,000			1,500,000		1,500,000	
Nadoto Chiefs office	1,500,000			1,500,000		1,500,000	
Namadak Chiefs office	1,500,000			1,500,000	1,480,000	20,000	99
Loputuk Youth Centre	1,000,000			1,000,000		1,000,000	
Lodwar GK Prison	1,500,000			1,500,000		1,500,000	
Kangatoha Chiefs office			1,500,000	1,500,000	1,480,000	20,000	99



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

Longech Chiefs office			1,500,000	1,500,000	1,480,000	20,000	99
Eliye chiefs office			1,500,000	1,500,000	1,480,000	20,000	99
Kawalase Chiefs office			500,000	500,000	480,000	20,000	96
Lodwar GK Prison				-	500,000	(500,000)	
Kangirisa Chiefs office			1,500,000	1,500,000	1,480,000	20,000	99
Lodwar Police Station	500,000			500,000	500,000	-	100
Turkana central DCC office	250,000			250,000	250,000	-	100
Turkana Central DCI office	500,000			500,000	500,000	-	100
<b>Total</b>	<b>9,750,000</b>	<b>-</b>	<b>6,500,000</b>	<b>16,250,000</b>	<b>9,630,000</b>	<b>6,620,000</b>	<b>59</b>
<b>11.0 Acquisition of assets</b>				-		-	
11.1 Motor Vehicles	-		-	-	-	-	
11.2 Construction of CDF office	3,000,000		-	3,000,000	-	3,000,000	
11.3 Purchase of furniture and equipment	-		-	-	-	-	
11.4 Purchase of computers	-		-	-	-	-	
<b>Total</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>3,000,000</b>	
<b>12.0 Other payments</b>				-		-	
NG C DF OFFICE			-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>13.0 unallocated fund</b>				-		-	
Unapproved projects	-		-	-	-	-	
AIA				-		-	
PMC savings	4,000,000		-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>137,088,879</b>	<b>7,182,496</b>	<b>51,367,724</b>	<b>195,639,099</b>	<b>158,834,130</b>	<b>36,804,969</b>	<b>81</b>

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

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

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

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

#### **Proceeds from Sale of Assets**

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

#### **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, 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.

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**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 Equivalent**

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.

**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 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.

#### **15. Related Party Transactions**

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2020 - 2021	2019 - 2020
	Kshs	Kshs
AIE NO. B 124679	9,000,000	-
AIE NO. B 119668	12,000,000	-
AIE NO. B.104684	28,000,000	-
AIE NO. B 126023	15,000,000	-
AIE NO. B119707	15,000,000	-
AIE NO. B 132354	6,000,000	-
AIE NO. B 126315	6,000,000	-
AIE NO. B105440	10,000,000	-
AIE NO. B140754	15,000,000	-
AIE NO. A 823735	23,367,724	-
AIE NO. B132060	8,000,000	-
AIE NO. B128300	6,900,000	-
B041072	-	52,860,058
B041429	-	2,180,818
B104510	-	18,000,000
B096505	-	21,000,000
B041230	-	4,000,000
B104167	-	14,000,000
B049192	-	9,000,000
B047665	-	20,000,000
	<b>154,267,724</b>	<b>141,040,876</b>

2. PROCEEDS FROM SALE OF ASSETS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

		<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Interest Received		-	-
Rents		-	-
Receipts Sale of Tender Documents		-	-
Hire of plant/equipment/facilities		-	-
Unutilized funds from PMCs		-	-
Other Receipts Not Classified Elsewhere (specify)		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

		<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries		6,455,360	4,014,536
<b>Personal allowances paid as part of salary</b>			
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Gratuity-contractual employees		-	-
Employer Contributions Compulsory national social security schemes		-	-
<b>TOTAL</b>		<b>6,455,360</b>	<b>4,014,536</b>

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5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	1,913,387	-
Electricity	-	-
Water and sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	300,000	-
Domestic travel and subsistence	2,000,000	1,767,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	3,000,000	884,000
Hospitality supplies and services	-	-
Other committee expenses	3,000,000	7,020,500
Committee allowance	8,500,000	12,588,500
Insurance costs	-	-
Specialized materials and services	-	50,000
Office and general supplies and services	-	111,280
Fuel , oil & lubricants	1,500,000	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	3,500,000	1,021,455
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>23,713,387</b>	<b>23,442,735</b>

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 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 

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## 6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	49,711,368	35,800,000
Transfers to Secondary Schools	20,482,250	17,620,000
Transfers to Tertiary Institutions	-	-
<b>TOTAL</b>	<b>70,193,618</b>	<b>53,420,000</b>

## 7. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary ( see attached list)	20,329,600	21,743,750
Bursary -Tertiary ( see attached list)	17,052,015	2,990,297
Bursary- Special Schools	-	-
Mocks & CAT ( see attached list)	-	-
cultural projects	-	500,000
Social Security programmes (NHIF)	-	-
Security Projects ( see attached list)	9,630,000	6,740,000
Sports Projects ( see attached list)	2,741,350	3,924,900
Environment Projects ( see attached list)	2,688,500	4,054,317
Emergency Projects ( see attached list)	6,030,300	11,650,500
<b>TOTAL</b>	<b>58,471,765</b>	<b>51,603,764</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<b><u>Non- Financial Assets</u></b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	1,000,000
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	500,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and General Equipment	-	500,000
Purchase of computers ,printers and other IT equipment	-	-
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>-</b>	<b>2,000,000</b>

**9. OTHER PAYMENTS**

	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of NG-CDF office	-	-
ICT Hubs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

<b>Name of Bank, Account No. &amp; currency</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
<i>Kenya Commercial Bank, Lodwar Branch. Turkana Central NG-CDF</i>	2,616,090	7,182,496
	-	-
<b>TOTAL</b>	<b>2,616,090</b>	<b>7,182,496</b>
<b>10B: CASH IN HAND)</b>		
	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

<b>11: OUTSTANDING IMPRESTS</b>			
<i>Name of Officer or institution</i>	<b>Date imprest taken</b>	<i>Amount Taken</i>	<i>Amount Surrendered</i>
		<i>Kshs</i>	<i>Kshs</i>
	-	-	-
	-	-	-
<b>TOTAL</b>	-	-	-

**12A. RETENTION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
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	-	-

**12B. GRATUITY**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
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	2019- 2020
Opening bank balance	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	7,182,496	622,655
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>7,182,496</b>	<b>622,655</b>

## 14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjusments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances			-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST'

	2020- 2021	2019- 2020
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year ( C)	-	-
Net changes in accounts receivables (D=A+B-C)	-	-

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**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	<b>2020- 2021</b>	<b>2019- 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17. OTHER IMPORTANT DISCLOSURES**

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

	<b>2020- 2021</b>	<b>2019- 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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

	<b>2020- 2021</b>	<b>2019- 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

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

	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	-	-
Use of goods and services	-	-
Amounts due to other Government entities (see attached list)	39,475,118	60,914,040
Amounts due to other grants and other transfers (see attached list)	-	-
Acquisition of assets	-	-
Others ( <i>specify</i> )	-	2,006,872
Funds pending approval	-	-
	<b>39,475,118</b>	<b>62,920,912</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5)

	2020- 2021	2019- 2020
	Kshs	Kshs
PMC account balances (see attached list)	984,620	12,480
<b>Total</b>	<b>984,620</b>	<b>12,480</b>

**National Government Constituencies Development Fund (NGCDF)  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date
<b>Construction of buildings</b>	-		-
1.			
2.			
3.			
<b>Sub-Total</b>	-		-
<b>Construction of civil works</b>			
4.			
5.			
6.			
<b>Sub-Total</b>	-		-
<b>Supply of goods</b>			
7.			
8.			
<b>Sub-Total</b>	-		-
<b>Supply of services</b>			
10.			
11.			
<b>Sub-Total</b>			
<b>Grand Total</b>	-		-



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

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

**National Government Constituencies Development Fund (NGCDF)  
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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/21	2019/20	
Nakwamekwi pry school	Construction of D/Hall	1,500,000	-	Pending funding
Chokcho pry	Construction of 2 classrooms	2,200,000	-	Pending funding
Lore Amatet Primary school	Construction of 2 classrooms	2,000,000	-	Pending funding
Merier Primary school	Construction of 2 classrooms	2,200,000	-	Pending funding
Kerio Primary school	Construction of D/Hall	1,500,000	-	Pending funding
Kaikol Primary school	Construction of 1 classroom	1,100,000	-	Pending funding
Nakalale primary school	Construction of 1 classroom	1,100,000	-	Pending funding
Elelea primary school	Construction of 1 classroom	1,100,000	-	Pending funding
Loyo mixed secondary school	Purchase of Bus	7,452,250	-	Pending funding
Pag mixed secondary school	Purchase of Bus	7,370,618	-	Pending funding
Eliye Boys Secondary school	Purchase of Bus	7,452,250	-	Pending funding
Naoros Chiefs office	Construction of chiefs office	1,500,000	-	Pending funding
Kakimat Chiefs office	Construction of chiefs office	1,500,000	-	Pending funding
Nadoto Chiefs office	Construction of chiefs office	1,500,000	-	Pending funding
<b>Total</b>		<b>39,475,118</b>	<b>62,920,912</b>	

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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/2020</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2020/2021</b>
Land				
Buildings and structures	12,000,000	-	-	12,000,000
Transport equipment	8,500,000	-	-	8,500,000
Office equipment, furniture and fittings	1,000,000	-	-	1,000,000
ICT Equipment, Software and Other ICT Assets	500,000	-	-	500,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>22,000,000</b>	<b>-</b>	<b>-</b>	<b>22,000,000</b>

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Nabulon Primary School	KCB	1160806454	884,108	-
Moruongor Primary School	KCB	1273787129	1,948	-
Lochor Esekon Primary School	KCB	1254476164	1,482	-
Nadipoe Primary School	KCB	1183786573	94,982	-
St. Kevins Secondary School	KCB	1274562856	2,100	-
Kairir Primary	KCB	1257967150	-	1,294
Lotukumo Primary	KCB	1267001240	-	4,634
Nangolpus Primary	KCB	1266510656	-	2,008
Wakanda Girls	KCB	1239294824	-	3,896
Iille Primary	KCB	1118153812	-	648
<b>Total</b>			<b>984,620</b>	<b>12,480</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Remittance of statutory deductions in time	Deductions effected	Resolved	Resolved	30/6/2021
Emergency expenses	Compliance with law	Resolved	Resolved	30/6/2021
Unsupported bursary distribution	Irregular allocations	resolved	Resolved	30/6/2021