

REPORT

PARLIAMENT
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LIBRARY

THE NATIONAL ASSEMBLY	
P. 7	
DATE: 05 JUL 2023	
DAY: WED	
TABLED BY:	Hon. Owen Baya, CBS, MP Deputy leader majority
CLERK-AT-THE-TABLE:	Fulayo Mwangi

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - LIKONI CONSTITUENCY**

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



LIKONI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2022

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

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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

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 Likoni 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)

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(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Bawazir Mohamed
2.	Sub-County Accountant	Justus Mboya
3.	Chairman NGCDFC	Rashid Gakweli
4.	Member NGCDFC	Mwanamwinyi Mwinyi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 96780-80100
NGCDF Building
Off Mombasa –Lunga Lunga Rd (Likoni Flats- opp Mt. Sinai Academy)
Mombasa, KENYA.

(f) Likoni Constituency NGCDF Contacts

Telephone: (254) 722666095
E-mail: cdflikoni@ngcdf.go.ke
Website: likoni.cdf.go.ke

(a) NGCDF LIKONI Constituency Bankers

Cooperative Bank of Kenya
Likoni Branch
A/C No: 01120043565700
P.O. Box 90430-80100
Mombasa.

(b) Independent Auditors

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

(c) Principal Legal Adviser

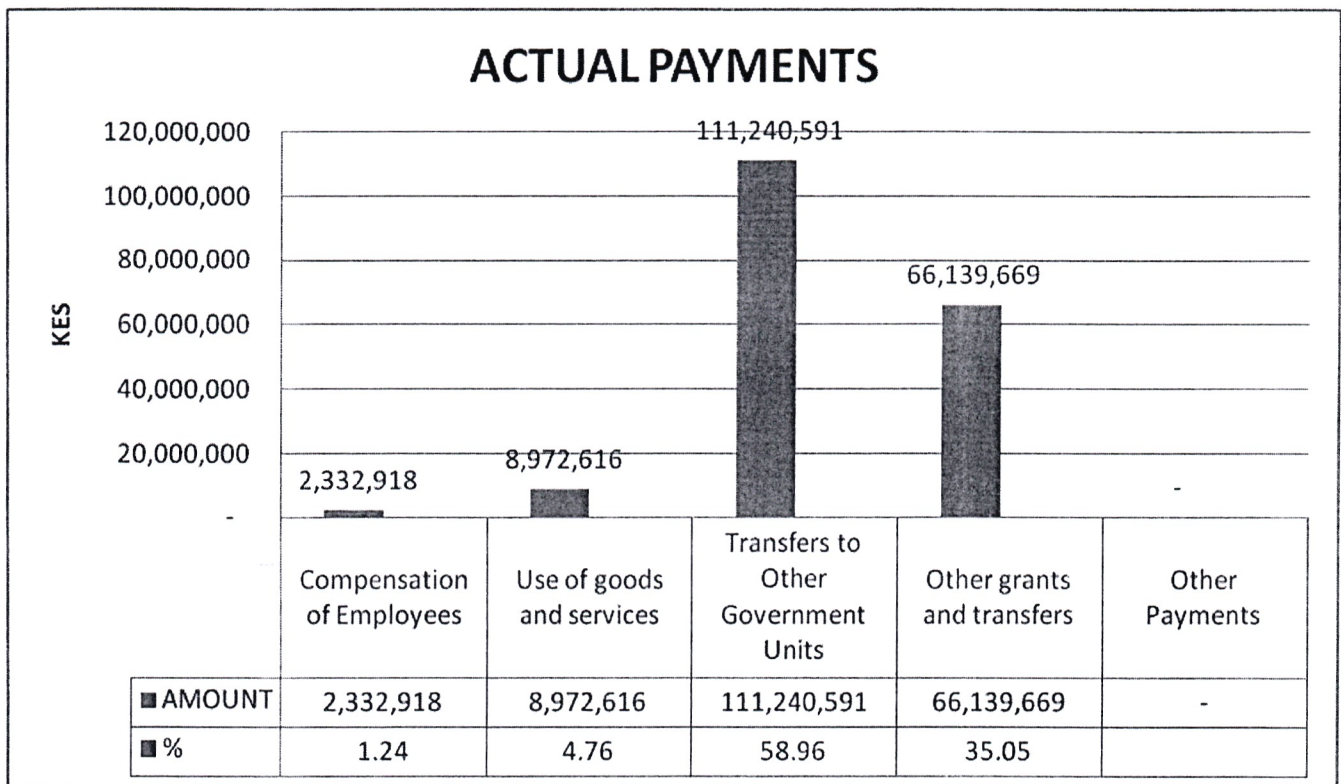
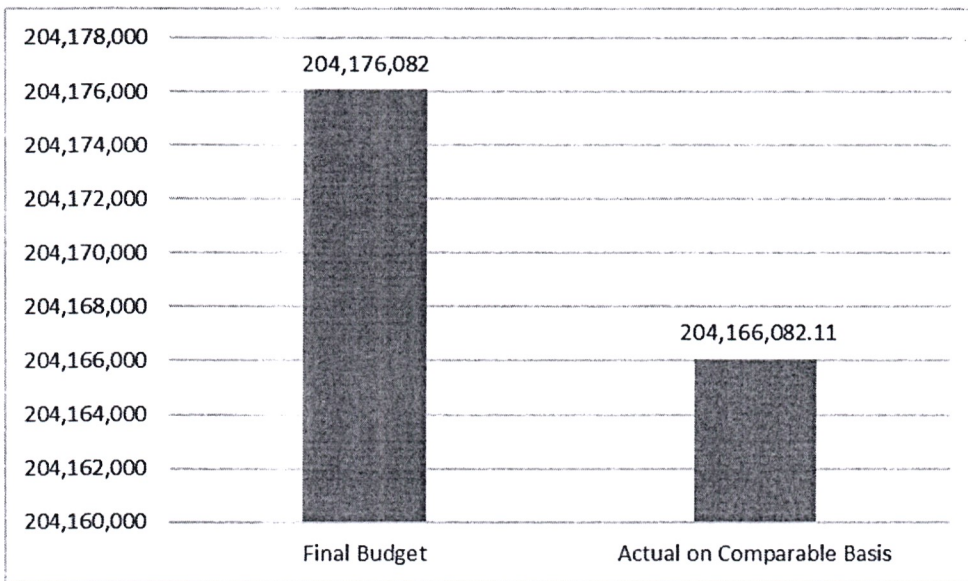
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman's Report



On behalf of the people of Likoni constituency and on my own behalf I take this opportunity to present the un audited financial report for Ngcdf Likoni for fy 2021-2022. Under my leadership, I would like to report that we are on the right track with regard to implementation of Ngcdf Likoni strategic plan for 2017-2022. Most of the key objective as envisaged in the strategic plan have been met despite resource constraints. With support of the committee and the area Member of Parliament, I am confident that by the end of 2022 most of the objectives would have been met and thus improve socio economic status of our constituents. The Ngcdf Likoni had an approved final budget of ksh 137,088,879 in the Financial year 2021-2022 however the actual on comparable basis in fy 2021-2022 was ksh 204,166,082 comprising of a cash book opening balance of ksh 21,998,324 as at 1st of July 2021 and Aies received during the financial year under review of ksh 182,669,080. It should not escape our mind that this has been a very difficult year again. The Covid 19 pandemic impacted negatively on our country and the whole world at large. This led to delays or rather reallocation of scarce resources by the National Government. Most of the funds were channelled to the health sector in order to minimize the negative effects of this pandemic. This is clearly depicted in low budget utilization. The diagrams below show budgets, receipts and expenditure in FY 2021-2022

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SWOT Analysis

A detailed analysis of the strengths, weaknesses, opportunities as well as threats was undertaken and prioritized as outlined hereunder.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Committed leadership • PMC already in place and trained • Team work among committee members • Guaranteed source of funds • Receptive community • Existence of major roads linking to major • Diversity of membership • Willingness to learn 	<ul style="list-style-type: none"> • Poor communications strategy • Inadequate ICT infrastructure • Inadequate capacity in planning, monitoring and evaluation • Low rates of education attainment • Lack of diverse economic opportunities • Inadequate funding • Poor road conditions • Inadequate communication strategies
Opportunities	Threats
<ul style="list-style-type: none"> • Secure environment • Existence of legal frameworks guiding national and devolved funds • Availability of Human Resource • Natural resources e.g. land, construction materials, • Existence of NGOs e.g. World Vision • Support from National Government and other stakeholders • Good road network • Arable land • Availability Electric power 	<ul style="list-style-type: none"> • Ignorance/inadequate information on NG-CDF operations • Unhealthy politicization of NG-CDF activities • Lack of transparency • Poverty; leading to high rate of land selling • Environmental degradation • High school dropout rate still significantly high • High rate in drug and substance abuse – Khat • Betting • Prolonged drought • HIV/AIDS prevalence is relatively high

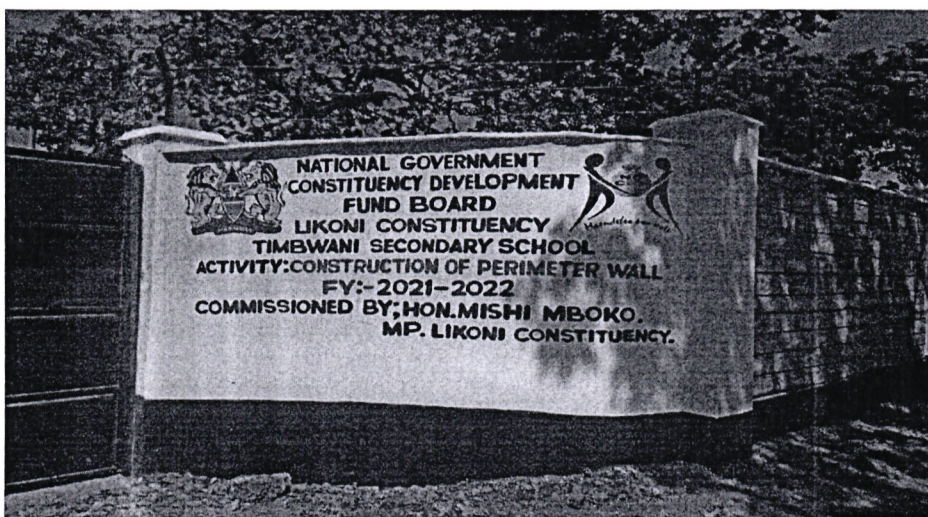
KEY ACHIEVEMENTS

During the FY 2020-2021, we managed to implement some of the following project listed below:

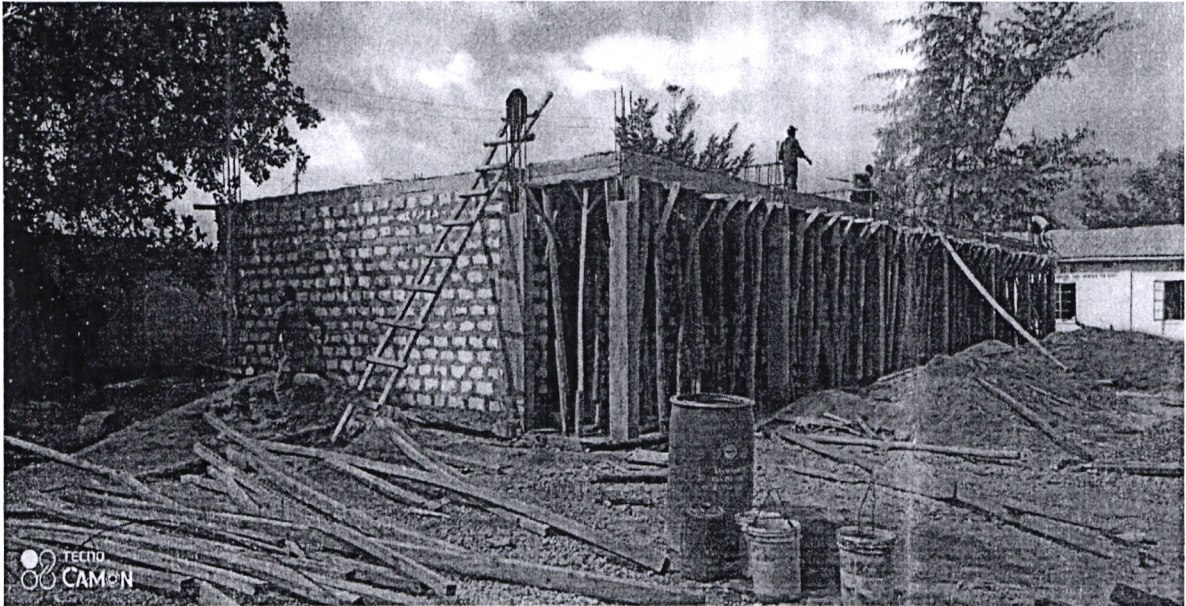
- 1. PROJECT: Construction of 6no classrooms, admin offices and ablutions.**
Location: Timbwani Primary School.
Status: Complete



- 2. PROJECT: Construction of Perimeter Wall to completion.**
Location: Timbwani Secondary School.
Status: Completed.



3. Project: Construction of 3no classroom storey building.
Location: Shika Adabu Secondary School.
Status: Ongoing.



4. Project: Construction of 3no classroom block.
Location: Mishi Mboko Primary School.
Status: Ongoing.



5. **PROJECT: Proposed Construction of 10 No door improved toilet block.**
LOCATION: Mweza Primary School
Status: Completed and in use.



Emerging Issues

Likoni Constituency is faced with insecurity challenges and as a result we received proposals which are recurrent in nature and cannot be implemented as a project under the current ngcdf act of 2015.

Implementation Challenges

The late disbursement of funds from the ngcdf board hinders implementation of projects within the financial year. This problem can be solved if funds are remitted in time.

Likoni constituency is faced with high unemployment rate among the youth, to address this pertinent issue, the ngcdfc committee through public participation have come up with interventions such as skills mtaani, driving school bursary award and building a resource centre that will be able to address these challenges.

.....
Name **RASHID KARWEU**
CHAIRMAN NGCDF COMMITTEE

6. Statement Of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

The key development objectives of **Likoni Constituency** 2021-2022 plan are to:

- a) To enhance performance in primary from 251-280 marks and secondary 3.2-6.0 mean grade by 2023
- b) To improve the current security infrastructures by 50% by 2023
- c) To improve the current sports & creative art kits by 50% by 2023
- d) To improve the current environmental conservation by 50% by 2023
- e) To create new structures for governance & HR issues by 2023

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To increase the current number of primary & secondary schools to 10% by 2023	Increased in number of new schools in the Constituency. enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure built in primary, secondary , and tertiary institutions	The Ngcdf Likoni managed to build three new schools which are operational. A new school has been constructed in fy 2021-2022 at Timbwani ward Several renovations of primary school have been implemented too. In addition perimeter walls have been built to completion.

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Security	f) To improve the current security infrastructures to 50% by 2023	Increased in security Infrastructure	-Number of chief offices built, number of police station built, Number of perimeter wall built	The Ngcdf Likoni has managed to build a perimeter wall at Longo Chief's office to secure the land from grabbers. In addition construction of two new chiefs offices have started.
Environment	g) To improve the current environmental conservation to 50% by 2022	Increased in seedlings being planted, improved sanitation	Number of seedlings planted in schools, Number of toilets built in schools, Number of boreholes drilled	In fy 2021-2022 a new toilet has been built in school.
Sports	To improve the current sports & creative art kits to 50% by 2022	Increased support for different teams	Number of sports kits and equipment for various sporting activities	A total of 60 soccer teams were supplied with sports uniform, Soccer boots and Balls, Taekwondo team was supplied with 100marts. Trophies were given to winning teams

7. Environmental and Sustainability Reporting

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

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

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

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

2. Environmental performance

The fund was able to construct a modern toilet at Mweza Primary School. The Sanitation in school was below standard and with the newly built Toilet Block, the situation has improved significantly.

3. Employee welfare

We invest in providing the best working environment for our employees. Likoni 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. Likoni 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-

Likoni NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Likoni 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.

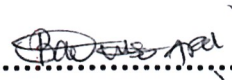
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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


.....
Name Bawazir Mohamed
FAM

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


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


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The Accounting Officer in charge of the NGCDF LIKONI 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

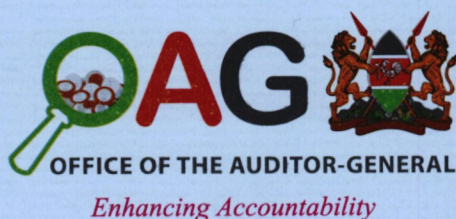
The NGCDF- LIKONI Constituency financial statements were approved and signed by the Accounting Officer on 20/3/2023 2023.


.....
Name: RASHID Gakwe
Chairman – NGCDF Committee


.....
Name: Bawazir Mohamed
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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

Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Likoni Constituency set out on pages 1 to 40, which comprise of the statement of Assets and Liabilities as at 30 June, 2022, and the statement

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

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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Likoni Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation for the year ended 30 June, 2022 reflects final receipts budget of Kshs.204,176,082 against actual expenditure of Kshs.188,925,795 representing under absorption by Kshs.15,250,288 or 7% of the budget.

In the circumstances, the under absorption of funds impacts negatively on service delivery to public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. Management has not resolved and disclosed all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board.

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 matter 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

Un-refunded Project Management Committee Bank Balances

Annex 4 of the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.62,919,496 held in 49 accounts. The amount includes Kshs.1,331,304 in respect of eight (20) PMC bank accounts in Co-operative Bank (K) Ltd which remained idle throughout the year without being refunded to the Constituency Development Fund (CDF) bank account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

Consequently, the Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 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 Constituency Development Fund Committee

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 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 the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 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

13 June, 2023

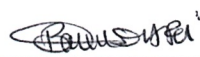
LIKONI Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

10. Statement Of Receipts and Payments for the Year Ended 30 June 2022


	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	182,177,758	161,867,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	10,000
TOTAL RECEIPTS		182,177,758	161,877,724
PAYMENTS			
Compensation of employees	4	2,332,918	4,087,628
Use of goods and services	5	8,972,616	7,628,521
Transfers to Other Government Units	6	111,240,591	79,594,047
Other grants and transfers	7	66,139,669	53,164,560
Acquisition of Assets	8	240,000	196,000
Other Payments	9	-	-
TOTAL PAYMENTS		188,925,795	144,670,756
SURPLUS/DEFICIT		(6,748,036)	17,206,968

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


The Constituency financial statements were approved on 20/3/2023 2023 and signed by:


 Fund Account Manager

Name: Babarizir M. Ahmed


 National Sub-County
 Accountant

Name: Justus Mbotya
 ICPAK M/No: 19820


 Chairman NG-CDF
 Committee

Name: CASHU GAKWEN

LIKONI Constituency

National Government Constituencies Development Fund (NGCDF)

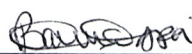
Annual Report and Financial Statements for The Year Ended June 30, 2022

11. Statement of Assets and Liabilities As At 30 June 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	15,250,287	21,998,324
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		15,250,287	21,998,324
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		15,250,287	21,998,324
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		15,250,287	21,998,324
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	21,998,324	4,791,355
Prior year adjustments	14	-	-
Surplus/Defict for the year		(6,748,036)	17,206,968
NET FINANCIAL POSITION		15,250,287	21,998,324

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


The Constituency financial statements were approved on 20/3/2023 2023 and signed by:


Fund Account Manager

Name: Bawazir Mohamed


National Sub-County
Accountant

Name: Justus Mboya
ICPAK M/No: 19820


Chairman NG-CDF
Committee

Name: Rashid Gatwiri

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

12. Statement of Cash Flows for the Year Ended 30 June 2022


	NOTE	2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	182,177,758	161,867,724
Other Receipts	3	-	10,000
		182,177,758	161,877,724
Payments for operating activities			
Compensation of Employees	4	2,332,918	4,087,628
Use of goods and services	5	8,972,616	7,628,521
Transfers to Other Government Units	6	111,240,591	79,594,047
Other grants and transfers	7	66,139,669	53,164,560
Other Payments	9	-	-
		188,685,795	144,474,756
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(6,508,036)	17,402,968
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(240,000)	(196,000)
Net cash flows from Investing Activities		(240,000)	(196,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,748,036)	17,206,968
Cash and cash equivalent at BEGINNING of the year	10	21,998,324	4,791,355
Cash and cash equivalent at END of the year		15,250,287	21,998,324

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


The Constituency financial statements were approved on 20/3/2023 2023 and signed by:


 Fund Account Manager

Name: Bawazir Mohamed


 National Sub-County
 Accountant Justus Mboya

Name: 3
 ICPAK M/No: 19820


 Chairman NG-CDF
 Committee

Name: RASHID GARREY

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

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

Receipt/Expense Item	Original Budget	Opening Balance (C/BK) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	21,998,324	45,088,879.11	204,176,082	204,176,082	-	-
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	0.0%
TOTAL RECEIPTS	137,088,879	21,998,324	45,088,879	204,176,082	204,176,082	-	100.0%
PAYMENTS							
Compensation of Employees	3,700,000	1,556,012	1,564,867	6,820,879	2,332,918	4,487,961	34.2%
Use of goods and services	8,397,989.11	59,406	2,812,666	11,270,061	8,972,616	2,297,445	79.9%
Transfers to Other Government Units	63,485,247	14,067,199	34,957,957	112,510,403	111,240,591	1,269,811	98.9%
Other grants and transfers	61,265,643	6,297,432	5,753,389	73,316,464	66,139,669	7,176,795	90.2%
Acquisition of Assets	240,000			240,000	240,000	-	100.0%
Other Payments (STRATEGIC PLAN)	0	8,275		8,275	-	8,275	0.0%
FUNDS PENDING APPROVAL		10,000		10,000		10,000	
TOTAL	137,088,879	21,998,324	45,088,879	204,176,082	188,925,795	15,250,288	92.5%

****Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.**

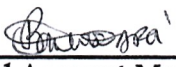
LIKONI Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

The general utilization of the fund was at 100%. Funds were disbursed to the constituency within the financial year, this is a huge milestone on the part of Ngcdf Board and we commend them.


- The Actual Total expenditure was at 92.5%, this is an improvement in absorption of the funds compared to fy2020-2021.
- Compensation of the employee was at 34.2%, due to the fact that some staff had left employment.
- The use of goods & service was at 79.9%.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	15,250,288
Less undisbursed funds receivable from the Board as at 30th June 2022	-
	15,250,288
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	15,250,288

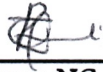
The Constituency financial statements were approved on 20/3/ 2023 and signed by:


 Fund Account Manager

Name: Bawazir Mohamed


 National Sub-County Accountant

Name: Justus Mboya
 ICPAK M/No: 19820


 Chairman NG-CDF Committee

Name: RASHID GADWEU

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

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

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,700,000		1,556,012.00	1,564,867	6,820,879	2,332,918	4,487,961
1.2 Committee allowances	3,000,000			600,000	3,600,000	2,275,882	1,324,118
1.3 Use of goods and services	1,285,322.74			600,000	1,885,323	1,709,736	175,587
Total	7,985,323		1,556,012	2,764,867	12,306,202	6,318,536	5,987,666
2.0 Monitoring and evaluation							
2.1 Capacity building	1,212,666.37		59,405.52	112,666	1,384,738	1,243,618	141,120
2.2 Committee allowances	2,500,000			1,100,000	3,600,000	3,199,000	401,000
2.3 Use of goods and services	400,000			400,000	800,000	544,380	255,620
Total	4,112,666		59,406	1,612,666	5,784,738	4,986,998	797,740
3.0 Emergency							
3.1 Primary Schools			1,500,000.00	-	1,500,000	1,500,000	-
3.2 Secondary schools	1,692,879		77,121.00	-	1,770,000	1,770,000	-
3.3 Tertiary institutions				-	-	-	-
3.4 Security projects				-	-	-	-
3.5 Unutilised			236,957.00	-	236,957		236,957
Total	1,692,879		1,814,078	-	3,506,957	3,270,000	236,957

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

Mtongwe Primary School	6,525,174.00				6,525,174.00	6,525,174.00	-
Timbwani Primary School		4,291,974.00	15,477,435.80		19,769,410	19,767,435.00	1,975
INSPIRATION PRIMARY		747,327.00			747,327	747,327.00	-
MAJISAFI PRL.SCHOOL		140,861.00			140,861	140,861.00	-
Likoni Primary School		125,780.00			125,780		125,780
					-		-
					-		-
Total	25,806,938	5,305,942	15,477,436		46,590,316	46,462,561	127,755
8.0 Secondary Schools Projects							-
Mishi Mboko Girls High School	7,340,882.00				7,340,882	6,340,075.00	1,000,807
Bububu Boys Secondary School	6,893,255.00				6,893,255	6,893,255	-
Shikaaadabu Secondary School	7,340,882.00				7,340,882	7,340,882	-
Mtongwe Girls High School	5,985,075.00				5,985,075	5,985,075.00	-
Timbwani Secondary School	6,496,705.00				6,496,705	6,496,705.00	-
TIMBWANI SEC.SCHOOL		591,090.00			591,090	591,090.00	-
MISHI MBOKO GIRLS SEC DINING HALL		3,110,000.00	12,492,815.00		15,602,815	15,602,815.00	-
MISHI MBOKO GIRLS PERIMETER WALL		5,060,167.00	6,987,705.83		12,047,873	11,906,623.00	141,250
					-		-
Total	34,056,799	8,761,257	19,480,521		62,298,577	61,156,520	1,142,057
9.0 Tertiary institutions Projects							-
Likoni Adult Education Office	3,621,510.00				3,621,510.00	3,621,510	-
Total	3,621,510		-		3,621,510	3,621,510	-
10.0 Security Projects							-
Likoni Chief's Office	4,259,689.00				4,259,689		4,259,689

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

Bofu Chief's Office	4,259,689.00				4,259,689	4,241,689.00	18,000
Longo Chief's Office	2,996,294.00				2,996,294	2,996,294.00	-
Timbwani Chief's Office		527,000.00			527,000	500,000.00	27,000
Total	11,515,672	527,000			12,042,672	7,737,983	4,304,689
11.0 Acquisition of assets							
Purchase of ict equipment-treasury	240,000				240,000	240,000	-
	-				-	-	-
	-				-	-	-
	-				-	-	-
Total	240,000				240,000	240,000	
12.0 Other payments							
Strategic Plan			8,275.00			0	-
							-
							-
							-
Total			8,275		8,275	-	8,275
13.0 unallocated fund							
Unapproved projects							-
AIA		10,000.00			10,000	-	10,000
PMC savings							
					10,000	-	10,000
Total	137,088,879	21,998,324		45,088,879	204,176,082	188,925,794	15,250,288

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

STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)						
Receipt/Expense Item	Original Budget a	Opening Balance (C/Bk) and AIA	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d
PAYMENTS			Previous years Outstanding Disbursements			
Compensation of Employees	3,700,000	1,556,012	1,564,867	6,820,879	2,332,918	4,487,961
Use of goods and services	8,397,989	59,406	2,812,666	11,270,061	8,972,616	2,297,445
Transfers to Other Government Units	63,485,247	14,067,199	34,957,957	112,510,403	111,240,591	1,269,812
Other grants and transfers	61,265,643	6,297,432	5,753,389	73,316,464	66,139,669	7,176,795
Acquisition of Assets	240,000	-	-	240,000	240,000	-
Other payments	-	8,275	-	8,275	-	8,275
UNALLOCATED FUND	-	10,000	-	10,000	-	10,000
TOTAL	137,088,879	21,998,324	45,088,879	204,176,082	188,925,794	15,250,288

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based.)

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XIII. Notes to the Financial Statements

1. Transfers from NGCDF Board

TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2021-2022	2020 - 2021
		Kshs	Kshs
	A.I.E NO. B096971		8,000,000.00
Normal Allocation	A.I.E NO. B096876		500,000.00
	AIE NO.		26,000,000.00
	AIE NO A823665		25,367,724.10
	AIE NO. B124590		9,000,000.00
	AIE NO. B119541		10,000,000.00
	A.I.E NO. B119931		13,000,000.00
	AI.ENO. B128172		6,900,000.00
	AIE NO.B128486		6,000,000.00
	A.I.E NO. B132229		6,000,000.00
	AIE NO B138897		13,000,000.00
	A.I.E NO. B126191		6,100,000.00
	AIE NO B126486.		10,000,000.00
	A.I.E NO.B140629		12,000,000.00
	AIE NO B.140980	33,000,000.00	
	AIE NOB105495	44,000,000.00	
	AIE NO B105843	22,000,000.00	
	AIE NO B128591	6,000,000.00	
	AIE NO B128903	14,000,000.00	
	AIE NO B154100	15,000,000.00	
	AIE NO B164435	18,000,000.00	
	AIE NO B155870	18,088,879.00	
	AIE NO B155985	12,088,879.11	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		182,177,758.11	161,867,724

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2. Proceeds From Sale of Assets

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

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (hire of social hall)	-	10,000
TOTAL	-	10,000

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

4 COMPENSATION OF EMPLOYEES		
Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,101,118	1,525,118
Basic wages of casual labor	750,000	300,000
Personal allowances paid as part of salary		
House allowance	267,000	387,000
Transport allowance	204,000	300,000
Leave allowance	-	-
Gratuity-contractual employees	-	1,560,510.00
Employer Contributions Compulsory national social security schemes	10,800	15,000
TOTAL	2,332,918	4,087,628

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5. Use Of Goods and Services

5 USE OF GOODS AND SERVICES		
Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	-	0
Electricity	43,032.00	0
Water & sewerage charges	-	-
Office rent	-	13,000
Communication, supplies and services	188,220.00	121,830.00
Domestic travel and subsistence	1,793,500.00	2,428,600.00
Printing, advertising and information supplies & services	254,000.00	151,900.00
Committee Expenses	1,301,000.00	1,770,000.00
Training expenses	425,000.00	300,000.00
Hospitality supplies and services	544,380.00	595,950.00
Other committee expenses	769,000.00	298,100
Committee allowance	2,430,000.00	1,379,000.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	620,098.87	442,770.00
Fuel , oil & lubricants	-	0
Other operating expenses	-	0
Bank service commission and charges	21,425.00	25,040.00
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	327,700.00	40,000.00
Routine maintenance- other assets	255,260.00	62,331.00
TOTAL	8,972,615.87	7,628,521

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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

6 TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	46,462,561.48	37,124,717
Transfers to Secondary Schools	61,156,520.00	42,469,330
Transfers to Tertiary Institutions	3,621,510.00	
TOTAL	111,240,591.48	79,594,047

7. Other Grants and Other transfers

7 OTHER GRANTS AND OTHER PAYMENTS		
Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	33,503,000.00	28,099,000.00
Bursary -Tertiary (see attached list)	9,252,000.00	10,255,000.00
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	1,404,000.00	1,410,000
Security Projects (see attached list)	7,737,983.00	8,000,560
Sports Projects (see attached list)	8,230,909.17	-
Environment Projects (see attached list)	2,741,777.00	-
Emergency Projects (see attached list)	3,270,000.00	5,400,000
TOTAL	66,139,669.17	53,164,560

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8. Acquisition Of Assets

8 ACQUISITION OF ASSETS		
Non Financial Assets	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General Equipment	-	196,000.00
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	240,000.00	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	240,000.00	196,000

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9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	15,250,288	21,998,324
<i>Name Of Bank, Account No.1146215614</i>	-	-
Total	15,250,288	21,998,324
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

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Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	21,998,324	4,791,355.
Cash in hand	-	-
Imprest	-	-
Total	21,998,324	4,791,355

14. Prior Year Adjustments

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

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

a. Changes in Accounts Receivable – Outstanding Imprests

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

b. Changes in Accounts Payable – Deposits and Retentions

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

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	4,487,961	3,120,880
Use of goods and services	2,297,445	2,443,476
Amounts due to other Government entities (see attached list)	1,269,811	49,052,695
Amounts due to other grants and other transfers (see attached list)	7,176,795	12,418,822
Acquisition of assets	-	43,054
Others-Strategic Plan	8275	8,275
Funds pending approval	10,000	-
Total	15,250,288	67,087,203

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	62,919,497	14,174,969
Total	62,919,497	14,174,969

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

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		4,487,961	3,120,880	
Use of goods & services		2,297,445	2,443,476	
Amounts due to other Government entities		1,269,811	49,052,695	
Sub-Total		8,055,217	54,617,052	
Amounts due to other grants and other transfers		7,176,795	12,418,822	
Sub-Total		7,160,192.73	12,418,822	
Acquisition of assets			43,054	
Others –Strategic Plan		8,275	8,275	
Sub-Total		8,275	51,929	
Funds pending approval		10,000		
Grand Total		15,250,288	67,087,203	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	11,169,452			11,169,452
Transport equipment	6,807,383			6,807,383
Office equipment, furniture and fittings	2,218,151	240,000		2,458,151
ICT Equipment, Software and Other ICT Assets	870,000			870,000
Other Machinery and Equipment	441,000			441,000
Heritage and cultural assets				
Intangible assets				
Total	21,505,986	240,000		21,745,986

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2022

PMC	BANK	ACCOUNT NUMBERS	BANK BALANCE 21/22	BANK BALANCE 20/21
BUBUBU SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1134397330200	6,858,290.25	21,035.25
INSPIRATIONS PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134627050400	1,067.40	577,031.95
JAMVI LA WAGENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129627675700	105,151.20	2,823,503.20
LIKONI ENVIRONMENTAL	CO-OPERATIVE - LIKONI	1134627281400	1,628.50	1,628.50
LIKONI OFFICE	CO-OPERATIVE - LIKONI	1134397352600	7,633.75	7,633.75
LIKONI POLICE STATION	CO-OPERATIVE - LIKONI	1134397444400	2,252.90	2,252.90
LIKONI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397352500	323,498.60	323,498.60
LIKONI PRIMARY SCHOOL CLASSROOM	CO-OPERATIVE - LIKONI	1134627861500	7,273,919.30	1,037.30
LIKONI SCHOOL FOR THE BLIND	CO-OPERATIVE - LIKONI	1128396656002	962.00	962.00
LIKONI SEC SCHOOL	CO-OPERATIVE - LIKONI	1139396323602	194,253.74	194,253.74
LIKONI SPORTS	CO-OPERATIVE - LIKONI	1134396638300	672,706.40	2,408.50
LONGO CHIEF	CO-OPERATIVE - LIKONI	1141628303900	1,648,474.40	990.40
LONGO PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129044176500	26,310.96	30,630.96
MAJI SAFI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139043657504	2,159.80	821,898.80
MISHI MBOKO GIRLS SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1141628434900	119,126.00	119,125.00
MTONGWE GIRLS SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1139628267800	5,955,222.20	261,147.20
MTONGWE PRIMARY PMC	CO-OPERATIVE - LIKONI	1134627307500	526,940.50	266,680.00
MWAHIMA SEC SCH PROJECT PMC	CO-OPERATIVE - LIKONI	1139627619701	454,620.30	454,620.30

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MWANGALA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397179700	2,482,75	2,482.75
MWEZA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397352700	169,101.45	0.45
NEW MRIMA SEC SCHOOL - CDF PROJECT	CO-OPERATIVE - LIKONI	1134396914200	52,770	52,770.00
PELELEZA PRI.SCH-CDF PROJECT	CO-OPERATIVE - LIKONI	1134397155000	2,629.20	2,629.20
PUMA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139628239500	41,301.75	76301.75
PUMA SEC SCHOOL CDF PROJECT	CO-OPERATIVE - LIKONI	1134396957700	69,992.80	69,992.80
SHIKAADABU CHIEFS OFFICE	CO-OPERATIVE - LIKONI	1134627785100	5,977.15	5,977.15
SHIKAADABU PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139628309800	58,851.65	420,051.65
TIMBWANI POLICE POST	CO-OPERATIVE - LIKONI	1141628417200	7,136	338,485.00
VIJWENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134627876000	171,687.80	542,459.30
MISHI MBOKO GIRLS TOILET	CO-OPERATIVE - LIKONI	1141628434903	20,379.50	20,379.50
MISHI MBOKO PRI. CLASSROOMS	CO-OPERATIVE - LIKONI	1141628733200	4,564,482.50	482.50
MISHI MBOKO GIRLS HIGH DORMITORY	CO-OPERATIVE - LIKONI	1141628434902	4,680.50	
MISHI MBOKO GIRLS ADMIN	CO-OPERATIVE - LIKONI	1141628434901	1,000.50	1,000.50
MISHI MBOKO PRI ADMIN	CO-OPERATIVE - LIKONI	1141628733202	8,176.10	8,176.10
MISHI MBOKO GIRLS BOREHOLE	CO-OPERATIVE - LIKONI	1141628434904	53,774.50	53,774.50
MRIMA PRI -PERIMETER WALL	CO-OPERATIVE - LIKONI	1141628441100	3,981,286.90	1,055.90
TIMBWANI CHIEF OFFICE	CO-OPERATIVE - LIKONI	1141628638900	68	145,567.00
MISHIMBOKO PRI.TOILET	CO-OPERATIVE - LIKONI	1141628733201	2,819.50	2,819.50
LIKONI SUB-COUNTY EDUCATION OFFICE	CO-OPERATIVE - LIKONI	1141628729800	135.00	135.00

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VYEMANI PRI.SCHOOL	CO-OPERATIVE	01129627575500	0	87,472.57
LIKONI MUSLIM PRI.	CO-OPERATIVE LIKONI	01139628868200	116,813.90	2,651,919.90
TIMBWANI PRI.SCH	CO-OPERATIVE LIKONI	01139657516600	2,296,236.00	540,735.50
TIMBWANI SEC. SCHOOL	CO-OPERATIVE	01139628892800	396,553.00	3,229,757.00
MISHIMBOKO PRI. SCH. DESK	CO-OPERATIVE	01141628733203	9,675.00	9,675.00
MISHIMBOKO GIRLS LAB	CO-OPERATIVE	01141628434905	6,272,605.50	530.50
SHIKA ADABU SEC SCHOOL	CO-OPERATIVE	01141657594700	7,297,957.00	0
BOFU CHIEF'S OFFICE	CO-OPERATIVE	01141657595500	4,205,689.00	0
ADULT EDUCATION OFFICE	CO-OPERATIVE	01141657594400	3,567,120.00	0
MISHI MBOKO GIRLS DINING HALL	CO-OPERATIVE	01139628434904	4,912,779.00	0
MISHI MBOKO GIRLS PERIETER WALL	CO-OPERATIVE	01139628434903	451,117.00	0
TOTAL			62,919,496.85	14,174,969

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Draft Audit Report fy20-21	<p>1. Transfers to Other Government Units</p> <p>The statement of receipts and payments for the year ended 30 June, 2021 reflects transfers to other government units of Kshs.79,594,047. Included in this amount is Kshs.37,124,717 in respect of transfers to primary schools as disclosed in Note 6 to the financial statements, out of which Kshs.10,076,367 was transferred to Maji Safi Primary project management committee account. The transfer was in respect of construction of a four-classroom block and supply of wooden desks project awarded to a local contractor at a contract price of Kshs.10,220,051. Audit review of the contract document indicated that the project included supply of one hundred and twelve (112)</p>	<p>The 112 desk were delivered and have since been branded</p>	<p>Awaiting responses</p>	<p>6 months</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>desks at a cost of Kshs.672,000. The desks were supplied on 21 December, 2020 as per delivery note number 15 produced for audit review. However, during physical verification in the month of March, 2022, it was not possible to confirm the delivery of the desks since they had not been branded and could not be identified from the previously acquired desks.</p> <p>Consequently, the propriety and of Kshs.672,000 on desks procured during the period under audit review could not be confirmed</p>			
	<p>2. Summary of Fixed Assets Register Annex 4 to the financial statements reflects Kshs.21,370,975 in respect to summary of fixed assets register balance as at 30 June, 2021. The fixed assets register provided in support of the summary disclosed in</p>	<p>The Fund Manager has initiated the process of disposing off the Nissan bus and we are awaiting authorization from NGCDF Board.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the financial statements included two (2) motor vehicles and one (1) motorcycle with historical cost of Kshs.6,807,383. However, the Fund management did not produce for audit review ownership documents in form of logbooks to confirm the assets ownership.</p> <p>Further, audit of the detailed listing of assets in the fixed assets register revealed assets with historical cost of Kshs.4,208,398 which were not in use by the Fund. However, the Fund management did not provide evidence to confirm that the accounting officer had established a disposal committee as prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets as required by Section 163(1) of the Public Procurement and Asset Disposal Act, 2012.</p> <p>Consequently, the ownership of</p>			

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

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>fixed assets costing Kshs.6,807,383 for the year ended 30 June, 2021 and compliance with Section 163(1) of the Public Procurement and Assets Disposal Act 2012 could not be confirmed.</p>			
	<p>1. Other Grants and Other Payments The statement of receipts and payments for the year ended 30 June, 2021 reflects other grants and other payments of Kshs.53,164,560 as disclosed under note 7 to the financial statements. Included in this figure is Kshs 28,099,000 in respect of bursary to secondary schools. Documents availed for audit review indicated that the bursary sub-committee during their meeting held on 16 February, 2020 approved bursaries for 5,289 beneficiaries in secondary day/boarding and for 239 beneficiaries in special need students, all totalling to 5,528</p>			

LIKONI Constituency
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	<p>beneficiaries for secondary schools. However, the schedule provided in support of the bursary - secondary schools expenditure indicated a total of 5,793 beneficiaries resulting to a variance of 265 beneficiaries awarded bursaries totalling to Kshs.1,722,500. The Management did not provide bursary committee minutes to confirm that the 265 beneficiaries applied for bursaries, were vetted and awarded the amount indicated.</p> <p>Consequently, the validity and propriety of Kshs.1,722,500 spent on bursary - secondary schools for the year ended 30 June. 2021 could not be confirmed.</p> <p>Response: The total number of beneficiaries in the Bursary vetting report had an error. See the correct</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	bursary vetting report (Annex 2)			

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**Name
Fund Account Manager.**