

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY

DATE: 04 JUL 2023

DAY:
TUESDAY

PARLIAMENT
OF KENYA
LIBRARY

REPORT

TABLED BY: HON OWEN BATA, CWS, MP
DEPUTY LEADER OF MAJORITY

CLERK-AT
THE-TABLE:

IRISPV MUMBLE.

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – EMURUA DIKIRR CONSTITUENCY**

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

Revised Template 30th June 2022



**EMURUA DIKIRR CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022**

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

Leave it blank

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

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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;

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Emurua Dikirr Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)

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ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Lemain Ole Tetia
2.	Sub-County Accountant	Benson Aseka
3.	Chairman NGCDFC	Everson Cheruiyot

(d) Fiduciary Oversight Arrangements

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

Emurua Dikirr Constituency NGCDF Headquarters
P.O. Box 119-20401
NG-CDFC Building Emurua Dikirr.
Kenya

(f) Emurua Dikirr Constituency NGCDF Contacts

Telephone: (254)-0722 774 506
E-mail: cdfemuruadikirrconstituency@gmail.com
Website: www.ngcdf

(g) Emurua Dikirr Constituency NGCDF Bankers

Equity Bank
Kilgoris Branch
A/C No.1230261760486
P O Box 119-20401
Chebunyo Kenya.

(h) Independent Auditors

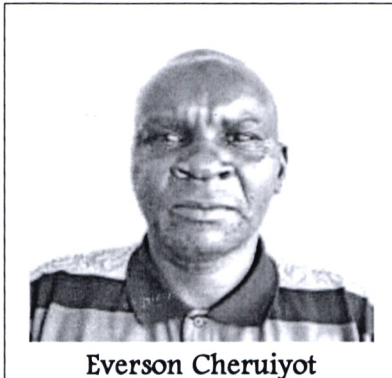
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report

(One to two pages)



Everson Cheruiyot

On behalf of EMURUA DIKIRR NG-CDF Committee and staff, I am profoundly glad in presenting the FY 2020/2021 annual report and financial statements for the fund.

EMURUA DIKIRR NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposal as proposed by the residents of EMURUA DIKIRR constituency and ensure that all approved projects meet the requirements of sec 24 of the Act, Capacity building of the project management committees (PMCS), monitoring and evaluation of the funded projects. As per the provisions of the NGCDF Act 2015(as amended in 2016), this was achieved mainly through timely disbursement of received funds to the project management committees (PMC), projects monitoring and regular NGCDF committee meetings.

EMURUA DIKIRR NG-CDF committee registered exemplary performance in the year under review as demonstrated by implementation of projects, programmes and activities in the sectors of Education, security, sports and environment which fall within the mandate of the Fund established by the NGCDF ACT 2015(as amended in 2016).

The fund augmented the national government's infrastructure development in education sector through construction, renovation and equipping of schools.

In detail, NG-CDF EMURUA DIKIRR has been able to achieve the following during the financial year;

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A total of 60 classrooms, 6 dormitories, 2 laboratories, 1 administration blocks, 2 dining halls and 10 toilet blocks were constructed and or renovated through the allocation to the fund.

The fund's contribution towards education infrastructure across the constituency supported the 100% government transition policy.

In addition, the fund supported retention of students in secondary and tertiary institutions through issuance of bursary. A total of ksh. 54,586,000 was awarded as bursary to needy students in the constituency. EMURUA DIKIRR NG-CDF committee has developed bursary award criteria to ensure only the needy students are awarded bursary.

A). Budget Performance

In the financial year 2021/2022 EMURUA DIKIRR NG-CDF budget performance against actual amounts for current year based on economic classification and programmes, was derailed by untimely and unpredictable disbursement of funds to the constituency by the NG-CDF BOARD,

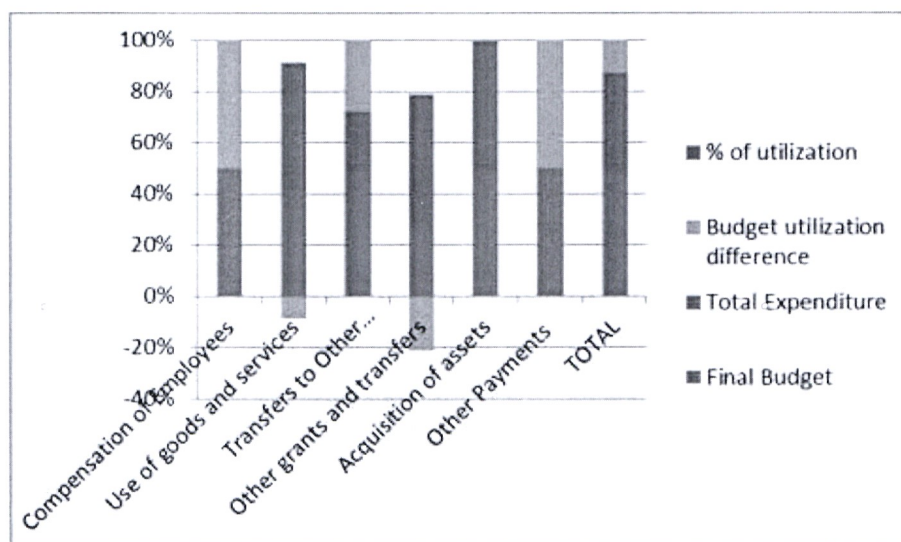
In the financial year ended June 30th, 2022, EMURUA DIKIRR NG-CDF had a cumulative approved budget of Kshs 227,232,116 out of which Kshs 158,335,119 was received from the NG-CDF Board while a balance of Kshs 68,0896,997 is yet to be received.

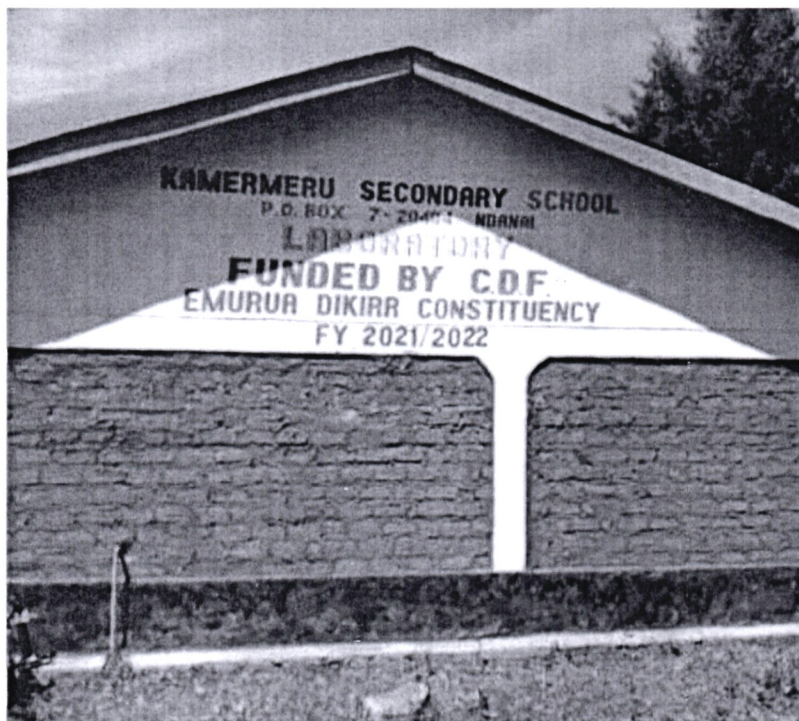
NG-CDF EMURUA DIKIRR disbursed the received funds as follows;

Kshs 106,446,299 was disbursed to various schools and other government agencies for implementation of the approved projects, Kshs 54,586,000 was issued as bursaries to needy students in the constituency, Kshs 1,720,800 was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses, Kshs 1,725,896 was used in payment of NG-CDFC staff salaries and gratuity, no amount was allocated to environment project to fund Environment conservation activities, Kshs Nil was disbursed to EMURUA DIKIRR NG-CDFC sports project to fund sporting activities, Kshs 8,233,428 was used to fund emergency occurrences in the constituency,

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PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	4,377,668	2,747,570	1,630,098	62.8%
Use of goods and services	5,219,250	6,319,296	(1,100,046)	121%
Transfers to Other Government Units	123,998,601	55,401,034	68,597,567	44.7%
Other grants and transfers	61,266,366	106,446,299	(45,179,933)	74%
Acquisition of assets	680,000	680,000	-	100%
Other Payments	31,690,232	-	31,690,232	0%
TOTAL	227,232,116	171,620,949.26	55,661,166.74	75.5%





Kamerumeru Secondary school construction of a laboratory funded in financial year 2021/2022

B). Emerging issues related to NG-CDF in EMURUA DIKIRR Constituency are;

- ❖ Education, Security, Sports, Environment, Water and Roads sectors almost entirely depend on NG-CDF on infrastructure development.
- ❖ Prioritization of projects to fund is becoming more difficult due to the numerous high impacts and deserving projects being proposed by the residents.
- ❖ Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructures to cater for the residents.
- ❖ There's a growing Need to compete with the county government in infrastructure development to justify the long existence of NG-CDF.

C). NG-CDF Implementation challenges in EMURUA DIKIRR Constituency are;

- ❖ Overdependence of the fund by the public and National government functions on all development related needs.
(To overcome this, EMURUA DIKIRR NG-CDF Committee employs public participation at the ward level in identification of priority projects for funding and bursary beneficiaries within the constituency).

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- ❖ Funds disbursement from the board is untimely and unpredictable leading to delays in execution of budgets occasioning unnecessary budgetary adjustments and delays in the implementation of approved projects.
(EMURUA DIKIRR NG-CDF committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC`s) as soon as it receives).
- ❖ Many projects are allocated funds- leading to projects receiving insufficient funds
(To overcome this challenge, EMURUA DIKIRR -CDF is focusing on allocating enough funds to complete the project within at most 2 years).

Moving forward Emurua Dikirr NG-CDF Committee remain steadfast in delivering on our mandate of transforming lives (Maendeleo Kwa Wote) thus creating a better society for all.



.....

Everson Cheruiyot
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Emurua Dikirr Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

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"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 21/22 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 a safe and secure environment for business, learning and where the residents go about	<ul style="list-style-type: none"> -Decrease in the number of insecurity related incidents. -Improved security and 	-Numbers of usable physical infrastructure build in Police stations, Chief's offices, DCI and	

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Constituency Sector	Objective	Outcome	Indicator	Performance
	their lives without fearing for their lives and property.	more secure business environment	county Commissioners security facilities. -	
Environment	To have a well Conserved and Conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. -sustainable environmental management activities.	In FY 21/22-we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools approximately 4,000 in number
Sports	To Nurture sporting talent, This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.	Increased engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.	Number of youth, women and persons living with disabilities taking up sporting activities. -Number of usable physical sporting infrastructure build.	In FY 21/22 -we organised the constituency sports tournament where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.
Emergency	To be able to urgently address Unforeseen occurrences in the constituency.	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen Occurrences.	Numbers of usable physical infrastructure build and other emergency related activities addressed.	In FY 21/22 -we constructed Pit latrine blocks and re-roofing of classrooms in various schools When the schools were facing immediate closure by the county department of health.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Emurua Dikirr 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

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

Emurua Dikirr 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-

Emurua Dikirr 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

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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.

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



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**Lemain Ole Tetia
FAM**

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Emurua Dikirr 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- Emurua Dikirr 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- Emurua Dikirr 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 Emurua Dikirr 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- Emurua Dikirr Constituency financial statements were approved and signed by the Accounting Officer on 21.09. 2022.



.....
Everson Cheruiyot
Chairman – NGCDF Committec



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Lemain Ole Tetia
Fund Account Manager

REPUBLIC OF KENYA

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Enhancing Accountability

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Emurua Dikirr Constituency set out on pages 1 to 48, which comprise the statement of financial assets and liabilities as at 30 June, 2022

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

and the 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the National Government Constituencies Development Fund – Emurua Dikirr 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in Financial Statements

Review of the financial statements presented for audit revealed the following inaccuracies;

- 1.1 The statement of receipts and payments reflects compensation of employees amount of Kshs.2,774,320 while the supporting documents including payment vouchers revealed Kshs.2,126,300 resulting to an unexplained and unreconciled variance of Kshs.648,020;
- 1.2 The statement of receipts and payments reflects comparative total receipts of Kshs.141,567,724 while casting revealed Kshs.153,567,724 resulting to an unexplained and unreconciled variance of Kshs.12,000,000;
- 1.3 The statement of receipts and payments reflects comparative other grants and transfers expenditure of Kshs.40,037,670 while the audited 2020/2021 financial statements reflect Kshs.44,704,697 resulting to an unexplained and unreconciled variance of Kshs.4,667,027.
- 1.4 The statement of financial position reflects comparative cash and cash equivalents balance of Kshs.18,154,358 while the audited 2020/2021 financial statements reflect Kshs.24,347,590 resulting to an unexplained and unreconciled variance of Kshs.6,193,232;
- 1.5 Annex 4 - summary of fixed assets register reflects opening balance of Kshs.8,311,266 instead of Kshs.6,724,766 resulting to an unexplained and unreconciled variance of Kshs.1,586,500 and omits closing balances.
- 1.6 Headers in pages 2 to 20 and pages 22 to 48 are missing.

In the circumstances, the validity, accuracy and completeness of the above balances included in the financial statements could not be confirmed.

2. Unsupported Committee Expenses

The statement of receipts and payments reflects use of goods and services of Kshs.6,319,296 out of which Kshs.4,257,696 relates Committee expenses and allowances. However, the amount was not supported with details of payees, nature of services or goods provided, meetings attended and rates for used for payments.

In the circumstances, the validity, accuracy and fair statement of use of goods and services of Kshs.4,257,696 for the year ended 30 June, 2022 could not be confirmed.

3. Unsupported Training Expenses

Note 5 reflects use of goods and services expenses of Kshs.6,319,296 out of which Kshs.1,034,800 was incurred on training expenses. However, the expenditure was not supported with proof of travels, attendance registers and training programmes. In addition, there was no evidence of training needs assessment having been done and selection criteria used to identify the trained staff.

In the circumstances, the accuracy and completeness of training expenses of Kshs.1,034,800 could not be confirmed.

4. Unsupported Project Management Committee Bank Accounts Balances

Note 17.4 to the financial statements reflects Project Management Committee (PMC) account balances of Kshs.12,455 as detailed in Annex 5. However, there was no evidence of submitting PMC cash books, bank statements, bank reconciliations statements and quarterly report to the Constituency Committee. In addition, the movement of prior year PMC account balances of Kshs.2,663,603 was not supported.

In the circumstances, the accuracy and completeness of the Project Management Committee accounts bank balance of Kshs.12,455 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 - Emurua Dikirr 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 adverse 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 on in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a final receipts budget of Kshs.227,232,116 against an actual on comparable basis of Kshs.158,335,119 resulting to a shortfall of Kshs.68,896,997 or 30% of the budgeted. Similarly, the Fund spent

Kshs.171,620,949 against an approved expenditure budget of Kshs.227,232,116 resulting to an overall under-expenditure of Kshs.55,611,167 or 25% of the budgeted amount.

The shortfall and under expenditure imply that some of the planned projects and programmes were not implemented and may have negatively impacted 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Road Projects

Note 7 to the financial statement reflects other grants and transfers amount of Kshs.106,446,298 which includes transfers to roads projects of Kshs.43,626,871. However, details on the roads in terms of kilometers, their width, cost, classification and certificate of completion were not provided for audit. In addition, no bid opening minutes, evaluation matrix as well as acceptance letters from winning bidders and Inspection and Acceptance Committee reports were not provided for audit. Further, the function does not meet the criteria set for projects to be funded by Constituency Development Fund. This was contrary to Section 24 of the National Government Constituencies Development Fund Act, No.30 of 2015 which states that a project under this Act shall (a) only be in respect of works and services falling within the functions of the national government under the Constitution; and (b) be community based in order to ensure that the benefits are available to a widespread cross-section of the inhabitants of a particular area.

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

2. Failure to Report Emergency Expenditure

Note 7 to the financial statement reflects other grants and transfers amount of Kshs.106,446,298 which includes emergency projects expenditure of Kshs.8,233,428 that was not reported to the Board. This was contrary to Regulation 20(2) of the National Government Constituencies Development Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

In addition, the expenditure was not supported with project records that included procurement records and expenditure returns.

In the circumstance, Management was in breach of the law

3. Project Management Committees Records and Reports

Note 6 of the financial statement reflects transfers to other Government units of Kshs.55,401,034 in respect of primary schools, secondary schools and tertiary institutions. However, the Inspection and Acceptance Committee reports and interim/completion certificates and evidence that the projects were implemented in consultation with relevant Government departments was not provided for audit. In addition, there was no evidence of opening of each project's bank account since Note 17.4 reflects only reflected two (2) primary and four (4) secondary schools bank accounts. In addition, there is no evidence of transfer of funds earmarked for Kenya Medical Training College campus

In the circumstances, value for money on transfers to other Government units of Kshs.55,401,034 could not be confirmed.

4. Unsatisfactorily Implemented Projects

During the year under review, fourteen (14) projects with a total allocation of Kshs.18,300,000 were verified in the month of March, 2022 and were found to have been implemented in an unsatisfactory manner when evaluated against the bill of quantities and contracts for the projects.

In the circumstances, value for money may not have been realised on the expenditure of Kshs 18,300,000.

5. Non-Closure of Project Management Committee Bank Accounts

Note 17.4 as well as Annex 5 to the financial statements reflects Project Management Committee bank balances totalling Kshs.12,455 for six (6) projects that had not been closed. Further, records provided for audit, indicated that twenty-nine (29) Project Management Committee bank accounts with a balance of Kshs.11,701,194.30 were active but the balances were not refunded to the main CDF Bank Account. This is 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.

In the circumstances, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on

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

Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Unapproved Staffing

Review of personnel records revealed that the Fund had seventeen (17) staff members as at 30 June, 2022 some of whom had duplicating roles. In addition, there was no evidence of approval to have these members above the recommended four (4) staff members.

In the circumstances, the effectiveness of the human resource management controls could not be confirmed.

2. Lack of Risk Management Policy and Disaster Recovery Plan

The Fund did not have Risk Management Policy and risk register and therefore, has no approved processes and guidelines on how to mitigate operational, legal and financial risks. Further, the Fund does not have a disaster recovery plan in place. Failure to have a disaster recovery plan implies that the Fund may be unable to continue operating smoothly in the event a disaster occurs.

In the circumstances, the effectiveness of risk management in place could not be confirmed.

3. Weak Controls in Cash Management

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.4,868,528. However, examination of bank reconciliation statements revealed that bank reconciliations for the Months of December, 2021 to July, 2022 were not reviewed indicating that the reconciliations had not been done in a timely manner. Further, it was not possible to confirm the canceled and replaced cheques as they were not supported by relevant documentation indicating the audit trail and approvals.

In the circumstances, the effectiveness of the cash management internal controls could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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 comply with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 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 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 June, 2023


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

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

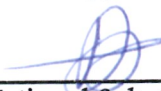
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	158,335,119	153,567,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		158,335,119	141,567,724
Payments			
Compensation Of Employees	4	2,774,320	2,747,570
Use Of Goods and Services	5	6,319,296	7,581,614
Transfers To Other Government Units	6	55,401,034.45	76,758,000
Other Grants and Transfers	7	106,446,298.81	40,037,670
Acquisition Of Assets	8	680,000	487,000
Other Payments	9	0	0
Total Payments		171,620,949	127,611,854
Surplus/(Deficit)		<u>(13,285,830)</u>	13,955,870

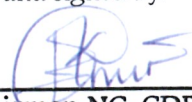
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 21.09. 2022 and signed by:


Fund Account Manager

Lemain Ole Tetia


National Sub-County
Accountant
Benson Aseka


Chairman NG-CDF Committee

Everson Cheruiyot

VIII. Statement of Assets and Liabilities As At 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	4,868,528	18,154,358
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		4,868,528	18,154,358
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		4,868,528	18,154,358
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		4,868,528	18,154,358
Net Financial Assets		-	-
Represented By			
Fund Balance B/Fwd	13	18,154,358	3,058,747
Prior Year Adjustments	14	-	
Surplus/Deficit for The Year		(13,285,830)	21,288,843
Net Financial Position		<u>4,868,528</u>	<u>24,347,590</u>

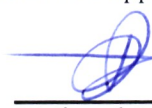
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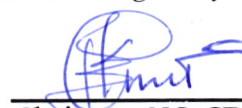


Fund Account Manager

Lemain Ole Tetia



National Sub-County
Accountant
Benson Aseka



Chairman NG-CDF Committee

Everson Cheruiyot

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

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	158,335,119	141,567,724
Other Receipts	3	-	-
Total Receipts		158,335,119	141,567,724
Payments			
Compensation Of Employees	4	2,774,320	2,747,570
Use Of Goods and Services	5	6,319,296	7,581,614
Transfers To Other Government Units	6	55,401,034	76,758,000
Other Grants and Transfers	7	106,446,299	40,037,670
Other Payments	9	-	-
Total Payments		170,940,949	127,124,854
Total Receipts Less Total Payments		(12,605,830)	14,442,870
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(12,605,830)	14,442,870
Cash flow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(680,000)	(487,000)
Net Cash Flows from Investing Activities		(13,285,830)	13,955,870
Net Increase In Cash And Cash Equivalent		(13,285,830)	13,955,870
Cash & Cash Equivalent At Start Of The Year	10	18,154,358	4,198,488
Cash & Cash Equivalent At End Of The Year	10	<u>4,868,528</u>	18,154,358

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 21.09.2022 and signed by:



Fund Account Manager
Lemain Ole Tetia



National Sub-County Accountant
Benson Aseka



Chairman NG-CDF Committee
Everson Cheruiyot

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

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

Receipts/Payments	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference		% of Utilization	
	a		b		c=a+b		d		e=c-d		f=d/c %	
	2021/2022		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022		30/06/2022					
Receipts	Kshs		Kshs	Kshs	Kshs		Kshs		Kshs			
Transfers from NG-CDF Board	137,088,879		18,154,358	71,988,879	227,232,116		158,335,119		68,896,997			69.7%
Proceeds from Sale of Assets	0		0	0	0		-		-			0.0%
Other Receipts	0		0	0	0		-		-			0.0%
TOTAL RECEIPTS	137,088,879		18,154,358	71,988,879	227,232,116				68,896,997			69.7%
PAYMENTS												
Compensation of Employees	4,134,083		243,585	0	4,377,668		2,774,320		1,603,348			62.8%
Use of goods and services	4,091,250		870,000	258,000	5,219,250		6,319,296		(1,100,046)			121.1%
Transfers to Other Government Units	49,892,207		14,117,773	59,988,621	123,998,601		55,401,034		68,597,567			44.7%
Other grants and transfers	46,601,107.75		2,923,000.00	11,742,258	61,266,366		106,446,299		(45,179,933)			173.7%
Acquisition of Assets	680,000		0	0	680,000		680,000		-			100.0%
Other Payments	31,690,232		0	0	31,690,232		-		31,690,232			0.0%
TOTAL	137,088,879		18,154,358	71,988,879	227,232,116		171,620,949		55,611,167			75.5%

****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.**

Explanatory Notes.

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	55,611,167
Less undisbursed funds receivable from the Board as at 30 th June 2022	50,742,639
	4,868,528
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	4,868,528

The Constituency financial statements were approved on 21.09.2022 and signed by:



Fund Account Manager

Name:

Lemain Ole Tetia



National Sub-County Accountant

Name:

Benson Aseka



Chairman NG-CDF Committee

Name:

Everson Cheruiyot

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

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments			Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs				
1.0 Administration and Recurrent	5,134,082	-	-	-	-	-	
1.2 Committee allowances	650,000	1,600,000	-	2,250,000	-	2,250,000	
1.3 Use of goods and services	1,600,332	-	498,879	2,099,211	3,558,912	-	
1.1 Compensation of employees	2,883,750	650,000	-	3,533,750	2,774,320	1,603,348	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,091,250	-	-	1,091,250	-	-	
2.2 Committee allowances	1,600,000	-	-	1,600,000	-	-	
2.3 Use of goods and services	1,400,000	-	-	1,400,000	2,760,384	-	
3.0 Emergency	7,192,207	1,100,000	-	8,292,207	8,233,428	-	
3.1 Primary Schools	-	9,500,000	-	9,500,000	-	-	
3.2 Secondary schools	-	5,304,358	-	5,304,358	-	-	
3.3 Tertiary institutions	-	-	-	-	-	-	
3.4 Security projects	-	-	-	-	-	-	
4.0 Bursary and Social Security							
4.1 Primary Schools	-	-	-	-	-	-	
4.2 Secondary Schools	20,100,107	-	-	20,357,850	26,155,500	(5,797,650.00)	
4.3 Tertiary	-	-	-	-	-	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments			Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs				
Institutions							
4.4 Universities	22,981,000	-	-	22,981,001	28,430,500	(5,449,499.25)	
4.5 Social Security	-	-	-	-	-	-	
5.0 Sports							
6.0 Environment							
7.0 primary projects	-	-	-	-	29,900,000	-	
Kaptala Primary School	700,000	-	-	700,000	-	-	
St. Paul Kitait Primary School	700,000	-	-	700,000	-	-	
kenduiywa primary school	300,000	-	-	300,000	-	-	
kimugul primary school	100,000	-	-	100,000	-	-	
Lelach Primary School	700,000	-	-	700,000	-	-	
Asur Primary School	700,000	-	-	700,000	-	-	
Saunosiek Primary School	700,000	-	-	700,000	-	-	
Tumnda Primary School	700,000	-	-	700,000	-	-	
Kimolel Primary School	700,000	-	-	700,000	-	-	
Simotwet Shiners Primary School	700,000	-	-	700,000	-	-	

Programme/Sub-Programme	Original Budget 2021/2022	Adjustments			Final Budget 2021/2022	Actual on comparable basis 6/30/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
			Kshs	Kshs			
Kapsinendet Primary School	700,000	-	-	-	700,000	-	-
Kondamet Primary School	700,000	-	-	-	700,000	-	-
Sinendet Primary school	700,000	-	-	-	700,000	-	-
Kapkoros Primary school	700,000	-	-	-	700,000	-	-
Kapchumbe Primary School	700,000	-	-	-	700,000	-	-
Siriat Primary School	700,000	-	-	-	700,000	-	-
Kibibo-Teres Primary School	700,000	-	-	-	700,000	-	-
Kapindege Primary School	700,000	-	-	-	700,000	-	-
Araret Primary School	700,000	-	-	-	700,000	-	-
Motosiet primary school	700,000	-	-	-	700,000	-	-
Chebara Primary school	550,000	-	-	-	550,000	-	-
Koisagat Primary School	500,000	-	-	-	500,000	-	-
Ole Kisiara primary school	500,000	-	-	-	500,000	-	-
Kabuson Central	400,000	-	-	-	400,000	-	-

Programme/Sub-Programme	Original Budget	Adjustments			Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
			Kshs	Kshs			
	2021/2022	2021/2022		2021/2022	6/30/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Primary school							
Mogor Primary school	500,000	-	-	500,000	-	-	
Araret Primary school	400,000	-	-	400,000	-	-	
Soget Primary school	500,000	-	-	500,000	-	-	
Cherangoi Primary school	400,000	-	-	400,000	-	-	
Chesabuni primary school	200,000	-	-	200,000	-	-	
Kibailuk Primary school	200,000	-	-	200,000	-	-	
Motosiet Primary School	200,000	-	-	200,000	-	-	
Emitiot Primary school	400,000	-	-	400,000	-	-	
Silibwet Primary school	400,000	-	-	400,000	-	-	
Chepkoiyet Primary school	400,000	-	-	400,000	-	-	
Kibailuk Primary school	350,000	-	-	350,000	-	-	
Kulonok Primary school	400,000	-	-	400,000	-	-	
Kurangurik Primary school	500,000	-	-	500,000	-	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments			Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/BK) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs				
Sach Angwan Primary school	500,000	-	-	500,000	-	-	
Sugutek Primary school	400,000	-	-	400,000	-	-	
Olpopong'i Primary school	400,000	-	-	400,000	-	-	
Kabolecho primary School	400,000	-	-	400,000	-	-	
Kapsasian Primary school	400,000	-	-	400,000	-	-	
Lelagoin Primary school	400,000	-	-	400,000	-	-	
Reberwet Primary school	400,000	-	-	400,000	-	-	
Kiribwet Primary school	400,000	-	-	400,000	-	-	
Korosiot Primary school	500,000	-	-	500,000	-	-	
Koibeyot Primary School	400,000	-	-	400,000	-	-	
Chebulu Primary school	400,000	-	-	400,000	-	-	
Usonik Primary School	400,000	-	-	400,000	-	-	
Chemamul Primary school	400,000	-	-	400,000	-	-	
Kelonget Primary	400,000	-	-	400,000	-	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
school						
Kimananga Primary school	400,000	-	-	400,000	-	
Kaptembwa Primary school	500,000	-	-	500,000	-	-
Ang'aset Primary school	500,000	-	-	500,000	-	-
Kuresiet Primary school	500,000	-	-	500,000	-	-
Cheserton Primary school	500,000	-	-	500,000	-	-
Kabuson Primary School	400,000	-	-	400,000	-	-
Kapkwen-Soi primary school	200,000	-	-	200,000	-	-
Kiptala pry school	-	-	700,000	700,000	-	
Kapindege pry school	-	-	700,000	700,000	-	700,000
Olpoongi pry school	-	-	400,000	400,000	-	400,000
Kapsasian pry school	-	-	400,000	400,000	-	400,000
Kabuson pry school	-	-	400,000	400,000	-	400,000
Chemamul pry school	-	-	200,000	200,000	-	200,000
Kibailuk pry school	-	-	350,000	350,000	-	350,000

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
Korosiot pry sch	-	-	400,000	400,000	-	400,000
Chebulu pry school	-	-	400,000	400,000	-	400,000
Chemamul pry sch	-	-	400,000	400,000	-	400,000
Kabuson pry sch	-	-	400,000	400,000	-	400,000
Ole kisiara pry school	-	-	500,000	500,000	-	500,000
Koiboyot pry school	-	-	700,000	700,000	-	700,000
Murkan rescue centre pry	-	-	9,440,000	9,440,000	-	9,440,000
Murkan primary school	-	-	3,000,000	3,000,000	-	3,000,000
Koisagat Primary school	-	-	500,000	500,000	-	500,000
KAPKERAH PRI SCHOOL	-	-	-	-	800,000	-
KIPTENTEN PRI SCHOOL	-	-	-	-	800,000	-
KAPKWEN PRI SCHOOL	-	-	-	-	200,000	-
REBERWOT PRI. SCHOOL	-	-	-	-	200,000	-
KAFSASIAR PRI. SCH	-	-	-	-	600,000	-
CHEBUTOIK PRI. SCH	-	-	-	-	600,000	-
KAPWENA PRI SCHOOL	-	-	-	-	700,000	-

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments			Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs				
OLELEMEI PRI SCHOOL	-	-	-	-	400,000	-	
CHESERTON PRI SCHOOL	-	-	-	-	500,000	-	
KAPKWEN PRI SCHOOL	-	-	-	-	200,000	-	
KIMANANGA PRI SCHOOL	-	-	-	-	400,000	-	
KALOROK PRI SCHOOL	-	-	-	-	400,000	-	
KORANAGARIK PRI SCHOOL	-	-	-	-	500,000	-	
KURESET PRI SCHOOL	-	-	-	-	500,000	-	
SIMOTWET SHINES PRI SCHOOL	-	-	-	-	700,000	-	
SINENDET PR SCHOOL	-	-	-	-	700,000	-	
TUNUNDA PRI SCHOOL	-	-	-	-	700,000	-	
KASURA PRI SCHOOL	-	-	-	-	400,000	-	
KIMALEL PRI SCHOOL	-	-	-	-	700,000	-	
AGALET PRI SCHOOL	-	-	-	-	500,000	-	
ARARET PRI SCH	-	-	-	-	700,000	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments			Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs				
ARARET PRI SCH	-	-	-	-	400,000	-	
ASUR PRI SCH	-	-	-	-	700,000	-	
CHEPKOIYET PRI SCH	-	-	-	-	400,000	-	
CHERAMGOI PRI SCH	-	-	-	-	400,000	-	
CHILANI PRI SCH	-	-	-	-	500,000	-	
KABOLECHO PRI SCHOOL	-	-	-	-	400,000	-	
KABUSUN CENTRAL PRI SCHOOL	-	-	-	-	400,000	-	
KAPCHUMBE PRI SCH	-	-	-	-	700,000	-	
SAUNASIEK PRI SCH	-	-	-	-	700,000	-	
KAPSINENLET PRI SCH	-	-	-	-	700,000	-	
KAPHEMBA PRI SCH	-	-	-	-	500,000	-	
KELOGET PRI SCH	-	-	-	-	400,000	-	
KIBAILUK PRI SCH	-	-	-	-	650,000	-	
KERIBWET PRI SCH	-	-	-	-	400,000	-	
KOIBEYOT PRI SCHOOL	-	-	-	-	400,000	-	
KADAMET PRI	-	-	-	-	700,000	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
SCHOOL						
LELACH PRI SCH	-	-	-	-	700,000	-
LELAGOIN PRI SCH	-	-	-	-	400,000	-
MOGOR PRI SCH	-	-	-	-	500,000	-
MOSOTIK PRI SCH	-	-	-	-	700,000	-
MOTOSIET PRI SCH	-	-	-	-	700,000	-
NAISUGUT PRI SCH	-	-	-	-	400,000	-
RIBERWET PRI SCH	-	-	-	-	400,000	-
SACH ANGWAN PRI SCH	-	-	-	-	500,000	-
SIRIAT PRI SCH	-	-	-	-	700,000	-
SOGET PRI SCH	-	-	-	-	500,000	-
ST PAUL KITAIT PRI SCHOOL	-	-	-	-	700,000	-
SUGUTEK PRI SCHOOL	-	-	-	-	400,000	-
OSONIK PRI SCH	-	-	-	-	400,000	-
CHEPKULUL PRI SCH	-	-	-	-	200,000	-
CHESABUNI PRI SCH	-	-	-	-	200,000	-
EMITIYOT PRI SCHOOL	-	-	-	-	400,000	-
KIBAILUK PRI SCH	-	-	-	-	200,000	-

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments			Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs				
MOTOSIET PRI SCH	-	-	-	-	200,000	-	
SILIBWET PRI SCH	-	-	-	-	400,000	-	
ASUR PRI SCH	-	-	-	-	200,000	-	
KAPTALA PRI SCH	-	-	-	-	200,000	-	
KITAIT PRI SCH	-	-	-	-	200,000	-	
OLEKISIARA PRI SCHOOL	-	-	-	-	200,000	-	
TACHASIS PRI SCHOOL	-	-	-	-	200,000	-	
TOROKWET PRI SCHOOL	-	-	-	-	200,000	-	
KIBISOWET PRI SCHOOL	-	-	-	-	550,000	-	
8.0 Secondary Schools Projects (List all the Projects)							
Cheramgoi Girls Secondary school	1,900,000	-	-	1,900,000	-	-	
Simotwet Secondary school	8,200,000	-	-	8,200,000	-	-	
Chilani Secondary school	500,000	-	-	500,000	-	-	
Kabolecho Girls Secondary school	1,000,000	-	-	1,000,000	-	-	
Ilkerin Secondary school	600,000	-	-	600,000	-	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments			Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs				
cherokiet Secondary school	200,000	-	-	200,000	-	-	
takitech secondary school	700,000	-	-	700,000	-	-	
Chilani secondary sch	-	-	500,000	500,000	-	-	
Emurua Dikirr sec school	-	-	700,000	700,000	-	-	
Emurua Dikirr sec school	-	-	3,500,000	3,500,000	-	-	
Cherangoi girls sec school	-	-	1,900,000	1,900,000	-	-	
Simotwet sec school	-	-	8,200,000	8,200,000	-	-	
Takitech sec school	-	-	700,000	700,000	-	-	
EL DIKIR SECONDARY SCHOOL	-	-	-	-	3,500,000	-	
OLERAMGUI SEC SCHOOL	-	-	-	-	1,650,000	-	
TAKTEH SPECIAL SCHOOL	-	-	-	-	800,000	-	
CHEPKUSA SEC SCHOOL	-	-	-	-	800,000	-	
ILKERN SEC SCHOOL	-	-	-	-	420,000	-	
KABOLECHO GIRLS SEC SCHOOL	-	-	-	-	350,000	-	
CHEPKOYET SEC	-	-	-	-	800,000	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
SCHOOL						
KELONGET SEC SCHOOL	-	-	-	-	800,000	-
KELONGET SEC SCHOOL	-	-	-	-	300,000	-
OLFOPONYI SEC SCH	-	-	-	-	600,000	-
ELDIKIRR GIRLS	-	-	-	-	131,034	-
CHERANGUI GIRLS HIGH	-	-	-	-	1,200,000	-
KABILECHI SEC SCHOOL	-	-	-	-	200,000	-
UKEM SEC SCH	-	-	-	-	800,000	-
KURESET SEC SCHOOL	-	-	-	-	250,000	-
Kuresiet-Mogor river access road	4,800,000	-	-	4,800,000	-	-
Mogondo-Chepkebit-Mogor River access road	4,500,000	-	-	4,500,000	-	-
Cheramgoi-Kurangurik access road	4,400,000	-	-	4,400,000	-	-
Chebulo-Korosiot-Naisugut access road	4,800,200	-	-	4,800,200	-	-

Programme / Sub-Programme	Original Budget	Adjustments			Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements				
			Kshs	Kshs			
	2021/2022			2021/2022	6/30/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Kapsasian- Kenduiywo access road	4,800,000	-	-	4,800,000	-	-	
Dikirr- Ainamoi access road	4,875,500	-	-	4,875,500	-	-	
Changina- Lelechonik- Mamboleo access road	3,514,532	-	-	3,514,532	-	-	
kiptenden- saunosiek access road	2,100,000	-	-	2,100,000	-	-	
motosiet-chemamit access road	900,000	-	-	900,000	-	-	
Murkan Court waterpans	1,200,000	-	1,200,000	2,400,000	-	-	
			12,000,000	12,000,000	-	-	
9.0 Tertiary institutions Projects (List all the Projects)	-	-	-	-	12,900,000	(12,900,000)	
Kurangurik kmtc	-	-	4,700,000	4,700,000	-	-	
Kurangurik kmtc	-	-	7,200,000	7,200,000	-	-	
			-	-	-	-	
10.0 Security Projects			-	-	-	-	
11.0 Acquisition of assets			-	-	-	-	
11.1 Motor Vehicles (including			-	-	-	-	

Programme/Sub-Programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 6/30/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/BK) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
motorbikes)						
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	680,000	-
12.0 Others	-	-	-	-	-	-
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.2	-	-	-	-	-	-
Funds pending approval**	-	-	-	-	-	-
Total	137,088,879	18,154,358	71,988,879	227,232,116	171,620,949	55,611,167

(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-Emurua Dikirr 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.

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

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.

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B041083		18,000,000.00
AIE NO. A823701		26,000,000.00
AIE NO. B124635		8,667,724.10
AIE NO. B124867		9,000,000.00
AIE NO. B119604		10,000,000.00
AIE NO. B119994		13,000,000.00
AIE NO. B12823		6,900,000.00
AIE NO. B129197		6,000,000.00
AIE NO. B132291		7,000,000.00
AIE NO. B138960		13,000,000.00
AIE NO. B126252		6,000,000.00
AIE NO. B105047		8,000,000.00
		10,000,000.00
		12,000,000.00
AIE NO. B155806	4,238,879	
AIE NO. 2	20,000,000	
AIE NO. B128799	12,000,000	
AIE NO. B154397	16,000,000	
AIE NO. 132486	6,000,000	
AIE NO. 6	44,000,000	
AIE NO. 140875	17,996,240	
AIE NO. B105755	22,000,000	
AIE NO.	4,100,000	
AIE NO.	12,000,000	
TOTAL	158,335,119	141,567,724.1

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)		
Total	-	-

3. Other Receipts

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

Notes To the Financial Statements (Continued)

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,577,220	2,710,170
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	197,100	37,400.00
Total	2,774,320	2,747,570

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	1,725,896	2,765,200
Utilities, supplies and services	85,000	2,802,641
Communication, supplies and services	58,000	18,900
Domestic travel and subsistence	241,800	184,000
Printing, advertising and information supplies & services	-	0.00
Rentals of produced assets	-	0.00
Training expenses	1,034,800	1,383,000
Hospitality supplies and services	-	-
Other committee expenses	811,000	-
Committee allowance	1,720,800	-
Insurance costs	-	-
Specialized materials and services	29,000	-
Office and general supplies and services	555,400	427,873
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Water & sewerage charges	57,600	-
Total	6,319,296	7,581,614

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	29,900,000	40,950,000
Transfers To Secondary Schools (See Attached List)	12,601,034	23,708,000
Transfers To Tertiary Institutions (See Attached List)	12,900,000	12,100,000
Total	55,401,034	76,758,000

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	26,155,500	13,170,000
Bursary – tertiary institutions (see attached list)	28,430,500	17,645,068
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	-
Sports projects (see attached list)	-	2,475,102
Environment projects (see attached list)	-	6,747,500
Emergency projects (see attached list)	8,233,428	4,667,027
Roads	43,626,871	-
Total	106,446,299	44,704,697

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	487,000
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	680,000	-
Total	680,000	487,000

Notes To the Financial Statements (Continued)

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)		
<i>EQUITY BANK EMURUA DIKIRR NG-CDF KILGORIS BRANCH AC 1230261760486</i>	4,868,528	18,154,358
Total	4,868,528	18,154,358
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	4,868,528	18,154,358
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

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

Notes to the Financial Statement Continued

12A. Retention

[Provide short appropriate explanations as necessary.]

	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	-	-

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	18,154,358	3,058,748
Cash in hand	-	-
Imprest	-	-
Total	18,154,358	3,058,748

[Provide short appropriate explanations as necessary]

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)

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

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

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	1,630,098	1,046,242
Use of goods and services	(1,100,046)	2,437,651
Amounts due to other Government entities (see attached list)	68,597,567	41,000,000
Amounts due to other grants and other transfers (see attached list)	(45,179,933)	13,000,000
Acquisition of assets	-	3,300,000
Other Payments	31,690,232	
Funds pending approval	50,742,639	8,583,831
Total	55,611,167	69,367,724

17.4: PMC account balances (See Annex 5)

PMC	Bank	Account number	Date opened	Bank Balance 2021/22	Bank Balance 2020/21
Chebungei Primary school	Equity Bank	1230273598636	08/04/20	-	1450360
Soget primary school	Equity Bank	1230297556507	19/03/20	-	64.65
Judea primary school	Equity Bank	1230281156180	06/05/20	-	0.00
Kapkwen primary school	Equity Bank	1220262053079	15/06/20	-	357.50
Kelionget primary school	Equity Bank	1203299794557	26/06/20	-	3172.50
Megito primary school	Equity Bank	1230264343587	30/07/20	-	1,201,385
Cheramgoi girls secondary school	Equity Bank	123262383073	05/10/20	-	5,334
Ainamoi secondary school	Equity Bank	123264245560	16/12/20	-	314.58
Simotwet shiners primary school	Equity Bank	122451651452	14/01/21	-	1260
Chilani secondary school	Equity Bank	1220272285876	05/01/21	-	1355
Chebulu Primary school	Equity Bank	1232154561544	04/02/20	375	0.00
Usonik Primary School	Equity Bank	1232744654611	16/03/21	1,545	0.00
Simotwet Secondary school	Equity Bank	1232461648646	12/04/21	2,144	0.00
Cheramgoi Secondary school	Equity Bank	1232111121568	12/04/21	3,001	0.00
Chilani Secondary school	Equity Bank	1232978845465	02/03/21	4,578	0.00
Kabolecho Secondary school	Equity Bank	1232478778000	23/12/20	812	0.00
Total				12,455	2,663,603

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

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

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

Annex 2 - Analysis of Pending Staff Payables

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

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of Employee's salaries and gratuity	498,879	1,603,348	
Use of goods & services	Purchase of Fuel, vehicle repairs and maintenance, printing, stationery, telephone, travel, advertising, branding, consultancy and subsistence, office utility bills, legal services etc.	-	-	
Committee allowances		-	2,250,000	
Amounts due to other Government entities				
Kaptala Primary School	Construction of one classroom to completion	700,000	-	
St. Paul Kitait Primary School	Construction of one classroom to completion	700,000	-	
Lelach Primary School	Construction of one classroom to completion	400,000	-	
Asur Primary School	Construction of one classroom to completion	400,000	-	
Saunosiek Primary School	Construction of one classroom to completion	400,000	-	
Tumnda Primary School	Construction of one classroom to completion	200,000	-	
Kimolel Primary School	Construction of one classroom to completion	350,000	-	
Simotwet Shiners Primary School	Construction of one classroom to completion	400,000	-	
Kapsinendet Primary School	Construction of one classroom to completion	400,000	-	
Kondamet Primary School	Construction of one classroom to completion	400,000	-	
Sinendet Primary school	Construction of one classroom to completion	400,000	-	
Kapkoros Primary school	Construction of one classroom to completion	500,000	-	
Kapchumbe Primary School	Construction of one classroom to completion	700,000	-	
Siriat Primary School	Construction of one classroom to completion	440,000	-	
Kibibo-Teres Primary School	Construction of one classroom to completion	3,000,000	-	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Kapindege Primary School	Construction of one classroom to completion	500,000	-	
Araret Primary School	Construction of one classroom to completion	700,000	-	
Motosiet primary school	Construction of one classroom to completion	700,000	-	
Mosotik primary school	Construction of one classroom to completion	400,000	-	
Chebara Primary school	Completion of Two Classrooms(doors and windows fitting, plastering and painting)	400,000	-	
Koisagat Primary School	Completion of Two Classrooms(doors and windows fitting, plastering and painting) funded by the community	400,000	-	
Ole Kisiara primary school	Completion of Two Classrooms(doors and windows fitting, plastering and painting) funded by the community	-	1,200,000	
Kabuson Central Primary school	Renovation of 3 temporary Classrooms(replacement of worn out iron sheets, replacement of broken doors and windows and painting) funded by the community	-	1,200,000	
Mogor Primary school	Renovation of 4 temporary Classrooms(replacement of worn out iron sheets, replacement of broken doors and windows and painting) funded by the community	-	1,200,000	
Araret Primary school	Renovation of 4 temporary Classrooms(replacement of worn out iron sheets, replacement of broken doors and windows and painting) funded by the community	-	1,200,000	
Soget Primary school	Renovation of 4 temporary Classrooms(replacement of worn out iron sheets, replacement of broken doors and windows and painting) funded by the community	-	1,200,000	
Cheramgoi Primary school	Renovation of 4 temporary Classrooms(replacement of worn out iron sheets, replacement of broken doors and	-	1,200,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	windows and painting) funded by the community			
Chiliani secondary sch	Completion of One Classroom(doors and windows fitting, plastering and painting) the project was funded by the community	500,000	-	
Emurua Dikirr sec school	Completion of One Classroom(doors and windows fitting, plastering and painting) the project was funded by the community	700,000	-	
Emurua Dikirr sec school	Renovation of 2 temporary Classrooms(replacement of worn out iron sheets, replacement of broken doors and windows and painting) to completion the project was funded by the community	3,500,000	-	
Cheramgoi girls sec	Renovation of 2 permanent Classrooms(replacement of worn out iron sheets, replacement of broken doors and windows and painting) to completion the project was funded by the community	1,900,000	-	
Simotwet sec school	Renovation of 2 temporary Classrooms(replacement of worn out iron sheets, doors and windows fitting, plastering and painting) to completion the project was funded by the community	8,200,000	-	
Takitech sec school	Renovation of 3 temporary Classrooms(replacement of broken doors and windows and painting) to completion the project was funded by the community	700,000	-	
Murkan Court	Construction of court room	1,200,000	-	
waterpans	Drilling and equipping of 3 water boreholes	12,000,000	-	
Kurangurik kmtc	Completion of administrative block, classes, hostels and lecture halls	11,900,000	12,100,000	
Sub-Total		-	-	
Amounts due to other grants and other transfers		-	-	
Bursary Secondary School		7,000,000	16,332,139	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Bursary Tertiary Institutions		11,400,000	18,900,000	
		-	-	
Sub-Total		-	-	
Acquisition of assets		-	-	
Others (<i>specify</i>)		-	-	
Sub-Total		-	-	
Funds pending approval		-	-	
Grand Total		71,988,879	58,385,487	

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	6,724,766.20	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	-	-	-	-
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	8,311,266.20	-	-	-

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Chebungei Primary school	Equity Bank	1230273598636	-	1450360
Soget primary school	Equity Bank	1230297556507	-	64.65
Judea primary school	Equity Bank	1230281156180	-	0.00
Kapkwen primary school	Equity Bank	1220262053079	-	357.50
Kelionget primary school	Equity Bank	1203299794557	-	3172.50
Megito primary school	Equity Bank	1230264343587	-	1,201,385
Cheramgoi girls secondary school	Equity Bank	123262383073	-	5,334
Ainamoi secondary school	Equity Bank	123264245560	-	314.58
Simotwet shiners primary school	Equity Bank	122451651452	-	1260
Chilani secondary school	Equity Bank	1220272285876	-	1355
Chebulu Primary school	Equity Bank	1232154561544	375	0.00
Usonik Primary School	Equity Bank	1232744654611	1,545	0.00
Simotwet Secondary school	Equity Bank	1232461648646	2,144	0.00
Cheramgoi Secondary school	Equity Bank	1232111121568	3,001	0.00
Chiliani Secondary school	Equity Bank	1232978845465	4,578	0.00
Kabolecho Secondary school	Equity Bank	1232478778000	812	0.00
Total			12,455	2,663,603

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)
SRH I CDF / EMURUA DIKIRR/ 2020-2021	<p>4.1.3 Variances between the code list (budget) and the financial statements- Schedules</p> <p>The total expenditure as reflected in the statement of receipts and payments is likely to be understated by the unreconciled variance of Kshs.47,392,638.94 Recommendation</p> <p>It is recommended that, management to disclose the footnotes to the financial statements under the statements of comparison of budget and actual amounts combined and reconcile the variances.</p>	<p>The Ksh. 12,100,000 paid to tertiary was for KMTC Kurangurik for the construction of administration block, Lecture halls, and classes as per the budget proposal. There The Emurua TTI was allocated Kshs 1,200,000 but was not paid during the particular year under review. Therefore there was no any variance of Ksh. 1, 200, 00 in the tertiary as reported. Kibisorwet secondary School was allocated two projects as prescribed in the budget proposal for the financial year under review.</p> <p>i.e.</p> <ul style="list-style-type: none"> • Purchase of an acre piece of land allocated Kshs. 300,000 • Construction of a Laboratory allocated Kshs. 3,000,000 <p>This clearly shows that the variances show a</p>	Resolved	14 days

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>misstatement of Ksh. 2,700,000. However we have attached copies of code list, project proposal for the financial year 2020/2021 for your further review. The budget for the financial year 2020/2021 under review was Kshs. 137,088,879 and not Kshs. 103,296,240 as reported in the management letter. Budget proposal for the financial year has been provided for review, thus the variance is misleading. Kindly find the attached!</p>		
	<p>4.0 Cash and Cash Equivalents Criteria Section 90 sub-section 3 of the Public Finance Management Act, Regulation 2015 states that accounting officer shall ensure that any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.</p> <p>Observation The statement of assets and Liabilities as at 30 June, 2021 reflects cash and bank balance of Kshs.24,347,590. However, the bank reconciliation statement as at 30 June, 2021 reflects balance as per cash book of Kshs.18,347,589.73 resulting into</p>	<p>The balance as per cash book of Kshs.18,347,589.73 was reported, however this was occasioned by the fact that payments were made and effected but the cheques were not presented to the bank on time hence resulting to the purported unreconciled figure of Kshs. 6,000,000.27. Bank Reconciliation and Financial Statement are hereby provided to shade light on the same. The bank details also was wrongly captured,</p>	Resolved	14 days

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>unreconciled cash book balance of Kshs.6,000,000.27. Similarly, reconciliation statements also reflect a figure of Kshs.61,831,814.98 in respect of balance as per bank statement for the year end, whereas the bank statement balance as at 30 June 2021 verified indicates a figure of Kshs.73,931,814.98 as the closing bank balance.</p> <p>The difference between the two figures of Kshs.12,100,000 has not been reconciled." In addition, in note 10(a), the bank account no 0360262484301 reported relates to Access bank and not Equity bank account no 1230261760486 for the main account. It is therefore not satisfactorily explained which bank account balance has been reported in the financial statements.</p> <p>Further, reconciliation statements presented for audit also reports unrepresented cheques amounting to Kshs.31,494,225.25 and receipts in bank statements not yet recorded in cash book of Kshs.12,000,000, however, bank statements for the subsequent months was not provided to show whether the cheques have been cleared or not.</p>	<p>the details of the same have been corrected to reflect the bank details in the financial statement as provided. Also most of the cheques were issued during the corona pandemic therefore many cheques were not presented. However those which were not presented were replaced as shown by the bank reconciliation statement.</p>		
<p>4.3 Un-receipted Transfer to Other Government Entity Funds Criteria National Government Constituency Development Fund Regulations 2016 Section 15 states that, there shall be appointed a Project Management Committee for each project in a constituency in accordance with Sec. 36 of the National Government Constituency Development Fund Act which shall; (a) implement projects in consultation with the relevant departments of government, (b) maintain proper records of all minutes, accounting documents and other records in relation to the project and also, (c) Open and</p>		<p>During the financial year under review Emurua NG-CDF disbursed Kshs. 12,100,000 to Kurangurik KMTC towards completion of classes, administration block and one Storey hostel. The project was being implemented by the PMC who have since assured that the facility is ready and in use. Also attached are</p>	<p>Resolved</p>	<p>14 days</p>

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>maintain an independent bank account for each project</p> <p>Observation Note 6 to the financial statements shows that Kshs.12,100,000 was transferred to Kurangurik Kenya Medical Training College (KMTC) as a support for the institution. However, physical verification of the project on 27 April, 2022 revealed that the college did not receive Kshs.12,100,000 as no bank statement was provided to confirm the transfers. The Principal of the college interviewed denied any receipt of funds from the Emurua Dikirr National Government Constituency Development Fund and further confirmed to us that they don't even have a project management committee bank accounts where such amounts could have been banked.</p>	<ol style="list-style-type: none"> 1. Project File For The Said KMTC 2. Codelist 3. Bank Reconciliation 4. Bank Statement <p>Kindly find the above documents for your further review.</p>		
<p>4.1 Use of Goods and Services</p> <p>4.1.1 Variances between Financial Statements Figures and Supporting Schedules</p> <p>Criteria Paragraph 27 of International Public Sector Accounting Standards (IPSAS) 1 states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of the transactions, other events, and conditions in accordance with the definition and recognition criteria for assets, liabilities, revenue and expenses set out in IPSASs. The application of IPSASs, with additional disclosures, when necessary is presumed to result in financial statements that achieve a fair presentation.</p> <p>Observation</p>		<p>The schedules supporting the use of goods and services have since been provided for further review. The variance stated has also been effected to reflect in the financial statement as required by the law. The NG-CDF office has ensured that proper guidelines to be followed all through in establishment and amendment in the financial statement matches the schedules provided for audit review or during audit exercise.</p>	Resolved	14 days

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 statement of receipts and payments for the year ended 30 June, 2021 reflects use of goods and services of Kshs.7,581,614 under note 5 to the financial statements. Included in the amount is Kshs.427,873 in respect of office and general supplies and services. However, supporting schedule submitted for audit verification reflects Kshs.3,090,200 resulting to unexplained variance of Kshs.2,662,327. In addition, the note also reports a figure of Kshs.2,802,641 in respect of utilities, supplies and services. However, supporting schedule submitted for audit verification reflects kshs.2,392,641 resulting to unexplained variance of kshs.410,000.</p>			



Lemain Ole Tetia
Fund Account Manager.