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REPORT

THE NATIONAL ASSEMBLY	
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OF

THE AUDITOR-GENERAL

ON

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

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
(NG-CDF)
EMURUA DIKIRR CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**National Government Constituencies Development Fund (NG-CDF)
Emurua Dikirr Constituency
Reports and Financial Statements for the year ended June 30, 2021**

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**National Government Constituencies Development Fund (NG-CDF)
Emurua Dikirr Constituency
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

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- 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)
- 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 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mr. Felix Ntutu.
2.	Sub-County Accountant	Kipsafari Toromo
3.	Chairman NGCDFC	Kipsiele Towett.
4.	Member NGCDFC	Mr. Kipkoech Koros.

(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

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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

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

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(f) EMURUA DIKIRR Constituency NGCDF Contacts

Telephone: (254)-0722 774 506
E-mail: cd femuruadikirrconstituency@gmail.com
Website: [www.ngcdfEmurua Dikirrconstituency.go.ke](http://www.ngcdfEmuruaDikirrconstituency.go.ke)

(g) EMURUA DIKIRR Constituency NGCDF Bankers

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

(h) Independent Auditors

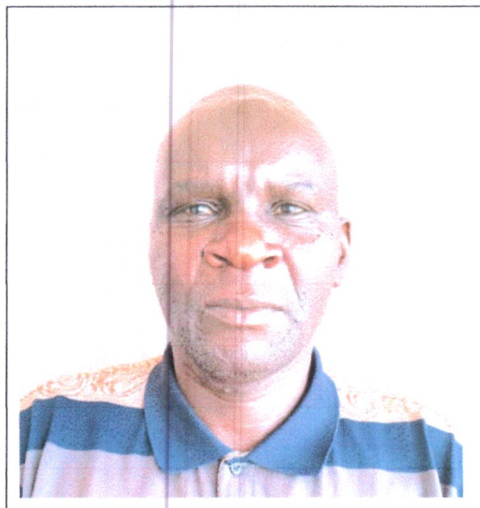
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

**National Government Constituencies Development Fund (NG-CDF)
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II. NG-CDFC CHAIRMAN'S REPORT



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;

A total of 72classrooms, 4dormitories, 3laboratories, 3administration blocks 3 teacher houses, 2dininghalls and35toilet blocks were constructed and or renovated through the allocation to the fund.

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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.30,815,068 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 2020/2021 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, 2021, EMURUA DIKIRR NG-CDF had a cumulative approved budget of Kshs 209,515,351 out of which Kshs153,567,724 was received from the NG-CDF Board while a balance of Kshs 55,947,627 is yet to be received.

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

Kes 76,758,000 was disbursed to various schools and other government agencies for implementation of the approved projects, Kes 30,815,068 was issued as bursaries to needy students in the constituency, Kes 2,765,200 was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses, Kes 2,747,570 was used in payment of NG-CDFC staff salaries and gratuity, no amount was allocated to environment project to fund Environment conservation activities, Kes 2,475,102 was disbursed to EMURUA DIKIRR NG-CDFC sports project to fund sporting activities, Kes 6,747,500 was used to fund emergency occurrences in the constituency,

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The performance during the year is summarised as follows;

PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	6,176,242	2,747,570	3,428,672	44.5%
Use of goods and services	7,625,650	7,581,615	44,035	99.4%
Transfers to Other Government Units	119,846,876	76,758,000	43,088,876	64.0%
Other grants and transfers	61,666,585	44,704,697	16,961,888	72.5%
Acquisition of assets	5,616,167	487,000	5,129,167	8.9%
Funds Pending Approval	8,583,831	-	8,583,831	0.00%
TOTAL	209,515,351	132,278,882	77,236,469	

Herein attached are pictorials to depict successful projects undertaken during the year.

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).
- ❖ 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 NG-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.

Signature 
 Chairman NGCDF Committee

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of EMURUA DIKIRR Constituency 2018-2022 plan are to:

- a) Improve Education Standards.
- b) Improve Security.
- c) Conserve the environment.
- d) Nurture talent through sporting activities and art
- e) Increase youth, women and persons with disability participation in development objectives.
- f) Supplementing infrastructure development at the constituency level in matters falling within the functions of the national government in accordance with the Constitution.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 20/21 -among others, we increased number of classrooms, dormitories, laboratories, school buses etc from 215 to 256 in the following schools/institutions -Bursary beneficiaries at all levels were approximately 7,000 across all levels of Education
Security	To have a safe and secure environment for business, learning and where the	-Decrease in the number of insecurity related incidents.	-Numbers of usable physical infrastructure build in Police stations. Chief's	In FY 20/21 We built one (1) police station in

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	residents go about their lives without fearing for their lives and property.	-Improved security and more secure business environment	offices, DCI and 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 20/21-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 20/21 -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 20/21 -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. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITYREPORTING
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 EMURUA DIKIRR 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 EMURUA DIKIRR 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 2020/2021 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 abuse by construction of police stations supported NG-CDF.

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- 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 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 NGCDF 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 interests

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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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.

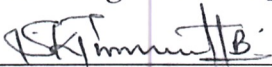
The Accounting Officer in charge of the NGCDF-EMURUA DIKIRR Constituency is responsible for the preparation and presentation of the NGCDF EMURUA DIKIRR's financial statements, which give a true and fair view of the state of affairs of the NGCDF EMURUA DIKIRR for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF EMURUA DIKIRR; (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 NGCDF EMURUA DIKIRR; (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 NGCDF EMURUA DIKIRR'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 NGCDF EMURUA DIKIRR's transactions during the financial year ended June 30, 2021, and of the NGCDF EMURUA DIKIRR's financial position as at that date. The Accounting Officer in 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 NGCDF EMURUA DIKIRR's financial statements as well as the adequacy of the systems of internal financial control.

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 NGCDF EMURUA DIKIRR'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

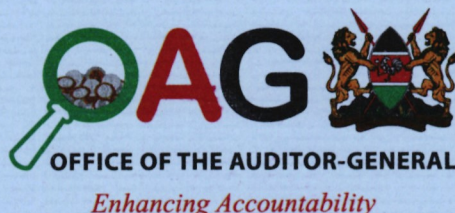
The NGCDF-EMURUA DIKIRR Constituency financial statements were approved and signed by the Accounting Officer on 30/9/2021 2021.


Chairman NGCDF Committee
Name: Kipsiele Towett


Fund Account Manager
Name: Mr. Felix Ntutu.

REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Emurua Dikirr Constituency set out on pages 16 to 53, which comprise of the statement of financial assets and liabilities as at 30 June, 2021

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

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Cash and Cash Equivalents

The statement of financial assets and liabilities reflects bank balance of Kshs.24,347,590 as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement reflects balance as per cash book of Kshs.18,347,589 resulting into an unreconciled cash book balance of Kshs.6,000,000. Further, the reconciliation statements reflect a balance of Kshs.61,831,814 in respect of bank statement while the bank certificate indicates a balance of Kshs.73,931,814. The difference between the two (2) amounts of Kshs.12,100,000 has not been reconciled.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.24,347,590 could not be confirmed.

2. Un-receipted and Unconfirmed Transfer to Other Government Entity Funds

The statement of receipts and payments reflects transfer to other Government units of Kshs.76,758,000 as disclosed in Note 6 to the financial statements which includes Kshs.12,100,000 transferred to a Medical Training College. However, physical verification of the project conducted on the month of 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 denied receipt of funds from the Fund and confirmed that no Project Management Committee bank account exists where the amount could have been banked. In addition, the transfer of Kshs.12,100,000 was disbursed without a joint financing agreement specifying the particular phase or phases, assets or any other defined unit of the project. No work plans were provided for use of the funds.

In the circumstances, the accuracy and completeness of the transfer to other Government units amounting to Kshs.12,100,000 could not be confirmed.

3. Unconfirmed Bursary Disbursements

The statement of receipts and payments reflects other grants and other payments of Kshs.44,704,697 as disclosed in Note 7 to the financial statements which includes bursary payments to secondary and tertiary institution amount of Kshs.13,170,000 and Kshs.17,645,068, respectively. However, examination of beneficiary schedules revealed the following unsatisfactory matters: -

- i. The beneficiary schedules provided had an amount of Kshs.38,001,500 which differed with the reported amount of Kshs.30,815,068 resulting to an unreconciled and unexplained variance of Kshs.7,186,432;
- ii. Out of the amount of Kshs.38,001,500 disbursed to beneficiary only Kshs.937,000 was supported by cheque number leaving the balance of Kshs.37,064,500 unsupported;
- iii. Six hundred and ninety-one (691) students who benefited were issued with multiple bursaries totalling Kshs.15,659,000 without justification.
- iv. Sixty-three (63) students from the same learning Institution had same registration numbers and were paid a total amount of Kshs.468,000 without justification.

In circumstances, the accuracy and completeness of bursary expenditure of Kshs.30,815,068 could not be confirmed.

4. Unconfirmed Emergency Projects Payments

The statement of receipts and payments reflects other grants and payments of Kshs.44,704,697 as disclosed in Note 7 to the financial statements which includes emergency payments amounting Kshs.6,747,500. However, physical verification of projects conducted in the month of April, 2022 revealed that the projects are not in existence and no evidence of re-allocation of funds was provided for audit. Further, documentary evidence including the application forms from the affected Wards, Constituency Development Fund Committee minutes approving the projects to be funded under emergency were not provided for audit.

In addition, expenditure of Kshs.2,472,500 was incurred in procuring water tanks to schools but the list of beneficiary schools and delivery notes to confirm that they were delivered were not provided for audit. The funds may not have been used for the intended purpose.

In the circumstances, the regularity, accuracy and completeness of emergency projects expenditure of Kshs.9,220,000 could not be confirmed.

5. Unconfirmed Payment of Roads Projects

The statement of receipts and payments reflects an amount of Kshs.4,667,027 in respect of roads projects as disclosed in Note 7 to the financial statements. The construction of Chesoen-Kapchumbe access road contract was awarded to a contractor on 14 July, 2020 at a contract price of Kshs.4,667,450 and payment of Kshs.4,667,027

made. However, invoice and certificate of completion were not attached in the payment voucher. The payee according to the payment voucher was indicated as Emurua Dikirr CDF Cheso-en-Kapchumbe road and not in the name of the contractor. It was therefore difficult to confirm whether the amount was paid to the contractor as no bank statement was provided for audit.

In addition, it was not explained why the contractor was still owed Kshs.3,546,380 as reported in the summary statement of payment dated 6 August, 2020 after payment of Kshs.4,667,027 was made. Further, the expenditure was not part of the roll over funds for 2019/2020 financial year as evidenced in the unutilized funds annex.

In the circumstances, the accuracy and regularity of roads projects expenditure of Kshs.4,667,027 could not be confirmed.

6. Unconfirmed Compensation of Employees - Staff Gratuities

The statement of receipts and payments reflects an amount of Kshs.2,747,570 in respect of compensation of employee as disclosed in Note 4 to the financial statements. However, the amount excludes payments for staff gratuities of Kshs.822,049 that were not captured in the supporting schedule.

In the circumstances, the accuracy and completeness of compensation of employees amount of Kshs.2,747,570 could not be confirmed.

7. Irregular Expenditure on Committee Allowances

The statement of receipts and payments reflects use of goods and services amount of Kshs.7,581,614 as disclosed in Note 5 to the financial statements which includes committee expenses of Kshs.2,765,200. However, this amount includes payment of Kshs.290,000 which has not been supported by Committee minutes, notice of meeting and a register of attendance. Further, Kshs.500,000 was paid to non-committee members contrary to Section 43 of National Government Constituency Development Fund Act, 2015 which defines the establishment and constituent of the committee members. In addition, included in the expenditure is payment of Kshs.340,000 which is not related to the committee expenses and no evidence of meetings held, notice, agenda and attendance register were provided for audit.

In the circumstances, the regularity of committee expenses of Kshs.2,765,200 could not be confirmed.

8. Misstatement of Unutilized Funds

Annex 3 to financial statements discloses unutilized fund of Kshs.69,367,724. However, analysis of budget execution by sector and projects, reflects fund balance of Kshs.77,236,470 resulting to an unreconciled and an unexplained variance of Kshs.7,868,746.

In the circumstances, the accuracy and completeness of unutilized funds balance of Kshs.69,367,724 could not be confirmed.

9. Unconfirmed Prior Year Adjustments

The statement of assets and liabilities reflects comparative prior year adjustments of Kshs.8,767,974. However, no disclosure has been made in the financial statements showing what the error relates to and how the correction has been done in the financial statements to report a Nil balance in the year under review.

This is in contravention of the International Public Sector Accounting Standards (IPSAS) No. 3 which requires that the amount of correction of an error that relates to prior period be done retrospectively in the first set of financial statements authorized for issue after their discovery and by adjusting the opening balance of accumulated surplus or deficit.

In the circumstances, the accuracy, presentation and disclosure of prior year adjustments of Kshs.8,767,974 could not be confirmed.

10. Unconfirmed Project Management Committee Bank Balances

Annex five (5) to the financial statements reflects a balance of Kshs.2,663,603 in respect of ten (10) Project Management Committee bank balances which were not supported by certificates of bank balance. Further, fifteen (15) Project Management Committee comparative bank balances of Kshs.5,700,000 have not been reflected in the financial statements. No evidence was provided for audit to confirm that the Project Management Committee bank accounts were closed and their account balances returned to the Constituency account as provided by Section 12(8) of the National Government-Constituencies Development Fund Act, 2015.

In addition, the Fund budgeted to finance and implement seventy-five (75) projects. However, only ten (10) projects have been reported under annex 5.

In the circumstance, the accuracy and completeness of Project Management Committee bank balances of Kshs.2,663,603 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 qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of appropriation - recurrent and development combined reflects final receipts budget and actual receipts on a comparable basis of Kshs.209,515,351 and Kshs.153,567,724 respectively, resulting to an underfunding of Kshs.55,947,627 or 26% of the budget. Similarly, the Fund spent Kshs.132,278,882 against approved budget of Kshs.209,515,352 resulting to an underperformance of Kshs.77,236,471 of 37% of the budget.

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

2. Unresolved Prior Year Audit Matters

The status of the progress on follow up of some of the prior year auditor's recommendations was not provided in the financial statements as required by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the Fund's financial statements do not comply with the financial reporting guidelines provided by PSASB pursuant to Section 194 of the Public Finance Management Act, 2012.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Incomplete and Unconfirmed Procurement of Projects

Review of records revealed that the Fund implemented projects in forty-one (41) primary and thirteen (13) secondary schools at a cost of Kshs.84,750,000. However, contract documents were not provided for audit. Therefore, it was not possible to establish whether the contracts were awarded in accordance to Article 227(1) of the Constitution of Kenya, 2010.

Further, eighteen (18) projects with a total allocation of Kshs.27,000,000 were verified in the month of April, 2022. An amount of Kshs 400,000 was used to purchase two (2) parcels of land, however, ownership documents have not been provided. In addition, five (5) incomplete projects amounted to Kshs.10,300,000, eleven (11) projects totalling Kshs.16,300,000 were not in use, labelled, poorly constructed and lacked amenities.

In addition, engineers estimate on the projects, records of contractor's retention fees and evidence that withholding tax was being deducted by the Fund and remitted to Kenya Revenue Authority were not provided. In addition, the projects did not have interim and final completion certificates contrary to Section 150(3) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, Management was in breach of the law and value for money may not have been achieved and the public may not receive the intended benefits from the projects.

2. Lack of Fixed Assets Register

Annex 4 to the financial statements reflects summary of fixed assets register with a historical cost of Kshs.8,311,266. However, the assets register has not been provided for audit to confirm the existence of the assets. This is contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

3. Late Submission of Financial Statements

As previously reported, the financial statements for the year 2019/2020 were submitted for audit on 11 February, 2021 four and a half months after the due date, contrary to Section 47(1) of the Public Audit Act, 2015 which states that, the financial statements shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

The Fund does not have a Risk Management Policy in place as required by Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the National Government entity develops a risk management strategy, which include fraud prevention mechanism and a system of risk management and internal controls that builds robust business operations.

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

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

Responsibilities of Management and those Charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to 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 controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 September, 2022

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

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	153,567,724	127,320,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		153,567,724	127,320,186
PAYMENTS			
Compensation of employees	4	2,747,570	2,665,758
Use of goods and services	5	7,581,614	10,653,413
Transfers to Other Government Units	6	76,758,000	84,750,000
Other grants and transfers	7	44,704,697	51,666,487
Acquisition of Assets	8	487,000	
Other Payments	9	-	-
TOTAL PAYMENTS		132,278,881	149,735,658
SURPLUS/(DEFICIT)		21,288,843	(22,415,472)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMURUA DIKIRR Constituency financial statements were approved on 30/9/2021 and signed by:



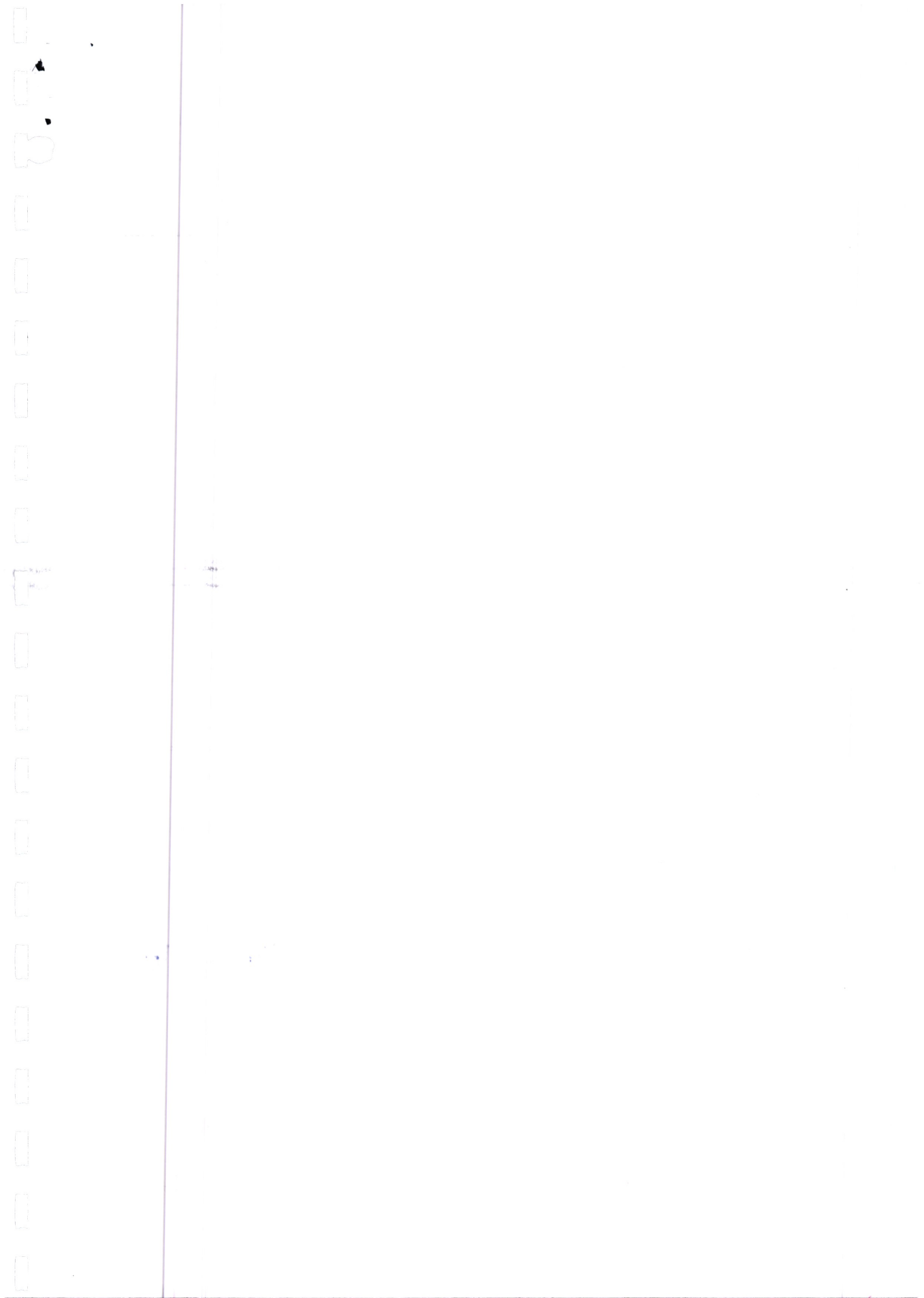
Fund Account Manager
 Name: Felix Ntutu



National Sub-County
 Accountant
 Name: Kipsafari Toromo
 ICPAK M/No: 11730



Chairman NG-CDF Committee
 Name: Kipsiele Towett.



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

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	24,347,590	3,058,748
Cash Balances (cash at hand)	10B		
Total Cash and Cash Equivalents		24,347,590	3,058,748
Accounts Receivable		-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		24,347,590	3,058,748
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		24,347,590	3,058,748
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd	13	3,058,747	16,706,245
Prior year adjustments	14		8,767,974
Surplus/Deficit for the year		21,288,843	(22,415,472)
NET FINANCIAL POSITION		24,347,590	3,058,747


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMURUA DIKIRR Constituency financial statements were approved on 30/9/2021 2021 and signed by:



Fund Account Manager
 Name: Mr. Felix Ntutu



National Sub-County
 Accountant
 Name: Kipsafari Toromo
 ICPAK M/No: 11730



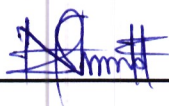
Chairman NG-CDF Committee
 Name: Kipsiele Towett.

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

VIII. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	153,567,724	127,320,186
Other Receipts	3	-	-
Total receipts		153,567,724	127,320,185.85
Payments for operating activities			
Compensation of Employees	4	2,747,570	2,665,758
Use of goods and services	5	7,581,614	10,653,413
Transfers to Other Government Units	6	76,758,000	84,750,000
Other grants and transfers	7	44,704,697	51,666,487
Other Payments	9	487,000	-
Total payments		132,278,288	149,735,658
Total Receipts Less Total Payments		21,288,843	(22,415,472)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15		
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16		
Prior year adjustments	14	-	8,767,974.00
Net Adjustments		-	8,767,974.00
Net cash flow from operating activities		21,288,843	(13,647,498)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	-	
Net cash flows from Investing Activities		-	
NET INCREASE IN CASH AND CASH EQUIVALENT		21,288,843	(13,647,498)
Cash and cash equivalent at BEGINNING of the year	10	3,058,747	16,706,245
Cash and cash equivalent at END of the year		24,347,590	3,058,747

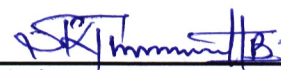
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-EMURUA DIKIRR Constituency financial statements were approved on 30/9/2021 and signed by:



Fund Account Manager
 Name: Mr. Felix Ntutu



National Sub-County
 Accountant
 Name: Kipsafari Toromo
 ICPAK M/No: 11750



Chairman NG-CDF Committee

Name: Kipsiele Towett.

IX. SUMMARY STATEMENT OF APPROPRIATION/RECURRENT AND DEVELOPMENT COMBINED

Receipts/Payments	Original Budget a	Adjustments Opening Balance (C/BK) and AIA b	Previous Years' Outstanding Disbursements	Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
RECEIPTS	2020/2021			2020/2021	30/06/2021		
Transfers from NCCDF Board	Kshs 137,088,879	Kshs 3,058,748	69,367,724	Kshs 209,515,351	Kshs 153,567,724	Kshs 55,947,627	73.3%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.00%
Other Receipts	-	-	-	-	-	-	0.00%
TOTALS	137,088,879	3,058,748	69,367,724	209,515,351	153,567,724	55,947,627	73.3%
PAYMENTS							
Compensation of Employees	5,083,758	46,242	1,046,242	6,176,242	2,747,570	3,428,672	44.5%
Use of goods and services	5,118,072	69,927	2,437,651	7,625,650	7,581,615	44,035	99.4%
Transfers to Other Government Units	78,356,000	490,876	41,000,000	119,846,876	76,758,000	43,088,876	64.0%
Other grants and transfers	48,414,881	251,704	13,000,000	61,666,585	44,704,697	16,961,888	72.5%
Acquisition of Assets		2,200,000	3,300,000	5,616,167	487,000	5,129,167	8.9%
Other Payments	116,169	-	-	-	-	-	0.00%
Funds pending approval**			8,583,831	8,583,831	-	8,583,831	0.0%
TOTALS	137,088,880	3,058,748	69,367,724	209,515,351	132,278,882	77,236,469	63.4%

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

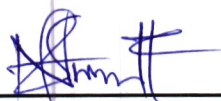
- i. Compensation of Employees is underutilized due to non payment of staff gratuity as at the end of the financial year.
- ii. Use of goods and services is underutilized due to delay in disbursement of funds by the NG-CDF Board
- iii. Transfers to other government units is underutilized due to delay in disbursement of funds by the NG-CDF Board
- iv. Other grants and transfers are underutilized due to delay in disbursement of funds by the NG-CDF Board.

Explanation on the changes between the original and final budget as per IPSAS 1.9.23.;

- ❖ Kes 3,058,748 is the unutilized funds brought forward from FY 2019/2020(refer to cashbook/bank closing balance as at 30th June 2020.
- ❖ Kes 69,367,724.10 is the unutilized funds for FY 2019/2020 which was disbursed to the constituency by the NGCDF BOARD in FY2020/2021 and reallocations within the budget.
- ❖ Kes 8,700,000 is the unutilized funds for FY 2019/2020 which is pending Approval by the NGCDF BOARD.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	77,236,470.00
Less undisbursed funds receivable from the Board as at 30 th June 2021	(52,888,879.00)
Add Accounts payable	0.00
Less Accounts Receivable	0.00
Add/Less Prior Year Adjustments	0.00
Cash and Cash Equivalents at the end of the FY 2020/2021	24,347,590.00

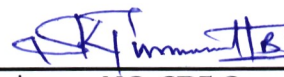
The NGCDF-EMURUA DIKIRR Constituency financial statements were approved on 30/9/ 2021 and signed by:



Fund Account Manager
Name: Mr. Felix Ntutu



National Sub-County
Accountant
Name: Kipsafari Toromo
ICPAK M/No: 11750



Chairman NG-CDF Committee
Name: Kipsiele Towett.

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments	Balance due by board	Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021			2020/2021	2020/2021	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,130,000.00	-	1,000,510.00	5,130,510.00	2,747,570.00	2,382,940.00
1.2 Committee allowances	2,000,000.44	-	202,985.67	2,202,986.11	2,000,000.00	202,986.11
1.3 Use of goods and services	2,095,332.00	-	172,641.00	2,267,973.00	1,500,000.00	767,973.00
2.0 Monitoring and evaluation						
2.1 Capacity building	1,075,935.31	-		1,075,935.31		1,075,935.31
2.2 Committee allowances	500,000.00	-		500,000.00	399,541.00	100,459.00
2.3 Use of goods and services	500,000.00	-		500,000.00	300,000.00	200,000.00
3.0 Emergency	7,192,206.90	58,748.00	1,143,428.73	8,394,383.63	6,747,500.00	1,646,883.63
3.1 Primary Schools		-				
3.2 Secondary schools		-				
3.3 Tertiary institutions		-				
3.4 Security projects		-				
4.0 Bursary and Social Security						
4.1 Primary Schools		-				

**National Government Constituencies Development Fund (NG-CDF)
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4.2 Secondary Schools	11,802,765.41	-	2,031,810.29	13,834,575.70	13,170,000.00	664,575.70
4.3 Tertiary Institutions	13,500,000.00	-	7,773,709.00	21,273,709.00	17,645,068.00	3,628,641.00
4.4 Universities	-	-	-	-	-	-
4.5 Social Security (NHIF)	-	-	-	-	-	-
5.0 Sports	-	-	-	-	2,475,102.00	(2,475,102.00)
Constituency sports	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
6.0 Environment	-	-	-	-	-	-
7.0 Primary Schools Projects					18,244,100.00	(18,244,100.00)
(List all the Projects)						
Asur Primary School	200,000.00	-	-	200,000.00	-	200,000.00
Chebaraa Primary School	1,200,000.00	-	1,200,000.00	2,400,000.00	-	2,400,000.00
Chebitoik Primary School	600,000.00	-	-	600,000.00	600,000.00	-
Chebungei Primary School	1,200,000.00	-	-	1,200,000.00	1,200,000.00	-
Chemamit Primary School	600,000.00	-	-	600,000.00	600,000.00	-
Chemamul Primary School	200,000.00	-	-	200,000.00	200,000.00	-
Chepkebiti Primary School	300,000.00	-	-	300,000.00	300,000.00	-
Chepkeigei Primary School	200,000.00	-	-	200,000.00	200,000.00	-

Na I Government Constituencies Development Fund (NG-CDF)
Egna a Dikirr Constituency
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Chepkulul Primary School	300,000.00	-	-	~	300,000.00	300,000.00	~	~
Chepkururet Primary School	1,200,000.00	-	-	~	1,200,000.00	1,200,000.00	~	~
Cherangoi Primary School	500,000.00	-	-	~	500,000.00	500,000.00	~	~
Cherokiet Primary School	1,200,000.00	-	-	~	1,200,000.00	1,200,000.00	~	~
Cherokiet Primary School	200,000.00	-	-	~	200,000.00	200,000.00	~	~
Chesoen Primary School	300,000.00	-	300,000.00	~	600,000.00	~	600,000.00	~
Chesogor Primary School	200,000.00	-	-	~	200,000.00	200,000.00	~	~
Judea Primary School	1,200,000.00	-	-	~	1,200,000.00	1,200,000.00	~	~
Kabarak Primary School	1,200,000.00	-	-	~	1,200,000.00	1,200,000.00	~	~
Kabuson Central Primary School	250,000.00	-	-	~	250,000.00	250,000.00	~	~
Kamaech Primary School	1,200,000.00	-	-	~	1,200,000.00	1,200,000.00	~	~
Kamermeru Primary School	700,000.00	-	-	~	700,000.00	700,000.00	~	~
Kapchepomot Primary School	1,200,000.00	-	-	~	1,200,000.00	1,200,000.00	~	~
Kapindege Primary School	300,000.00	-	-	~	300,000.00	300,000.00	~	~

**National Government Constituencies Development Fund (NG-CDF)
Emurua Dikirr Constituency
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Kapken Primary School	800,000.00	-	800,000.00	-	1,600,000.00	-	1,600,000.00
Kapken Primary School	200,000.00	-	200,000.00	-	400,000.00	-	400,000.00
Kapsaos Primary School	1,200,000.00	-	-	-	1,200,000.00	1,200,000.00	-
Kapsasian Primary School	600,000.00	-	-	-	600,000.00	600,000.00	-
Kaptara Primary School	200,000.00	-	-	-	200,000.00	200,000.00	-
Kaptembwo Primary School	200,000.00	-	-	-	200,000.00	200,000.00	-
Kapweria Primary School	700,000.00	-	-	-	700,000.00	700,000.00	-
Kenduywo Primary School	200,000.00	-	-	-	200,000.00	200,000.00	-
Kibibo-Teres Primary School	200,000.00	-	-	-	200,000.00	200,000.00	-
Kibisorwet Primary School	550,000.00	-	550,000.00	-	1,100,000.00	-	1,100,000.00
Kimananga Primary School	400,000.00	-	-	-	400,000.00	400,000.00	-
Kimolel Primary School	200,000.00	-	200,000.00	-	400,000.00	-	400,000.00
Kimugul Primary School	200,000.00	-	-	-	200,000.00	200,000.00	-
Kipsonoi Primary School	1,200,000.00	-	-	-	1,200,000.00	1,200,000.00	-
Kiptenden Primary School	800,000.00	-	800,000.00	-	1,600,000.00	-	1,600,000.00

Na Government Constituencies Development Fund (NG-CDF)
Embura & Dikirr Constituency
Reports and Financial Statements for the year ended June 30, 2021

Kiptolilit Primary School	200,000.00	-	-	-	200,000.00	200,000.00	-	-
Kiptolilit Primary School	1,200,000.00	-	-	-	1,200,000.00	1,200,000.00	-	-
Kipwaluk Primary School	1,200,000.00	-	-	-	1,200,000.00	1,200,000.00	-	-
Kisiara Primary School	400,000.00	-	400,000.00	-	800,000.00	-	-	800,000.00
Kiatit Primary School	200,000.00	-	0	-	200,000.00	200,000.00	-	-
Koita Primary School	1,200,000.00	-	-	-	1,200,000.00	1,200,000.00	-	-
Kondamet Primary School	300,000.00	-	-	-	300,000.00	300,000.00	-	-
Ngendalal Primary School	1,200,000.00	-	-	-	1,200,000.00	1,200,000.00	-	-
Ole Kisiara Primary School	200,000.00	-	-	-	200,000.00	200,000.00	-	-
Meregito Primary School	1,200,000.00	-	-	-	1,200,000.00	1,200,000.00	-	-
Simotwet Shiners Primary School	300,000.00	-	-	-	300,000.00	300,000.00	-	-
Sinendet Primary School	200,000.00	-	200,000.00	-	400,000.00	-	-	400,000.00
Siryat Primary School	300,000.00	-	-	-	300,000.00	300,000.00	-	-
Soget Primary School	2,400,000.00	-	-	-	2,400,000.00	2,400,000.00	-	-
Reberwet Primary School	200,000.00	-	200,000.00	-	400,000.00	-	-	400,000.00
Tachasis Primary School	200,000.00	-	200,000.00	-	400,000.00	-	-	400,000.00

**National Government Constituencies Development Fund (NG-CDF)
Emurua Dikirr Constituency
Reports and Financial Statements for the year ended June 30, 2021**

Takitech Special Primary School	800,000.00	-	800,000.00	1,600,000.00	~	1,600,000.00
Torokwet Primary School	200,000.00	-	200,000.00	400,000.00	~	400,000.00
murkan primary school/ manager equity bank	~	3,000,000.00		3,000,000.00	3,000,000.00	~
						~
						~
						~
						~
8.0 Secondary Schools Projects (List all the Projects)					20,000,000.00	(20,000,000.00)
Kibisorwet Secondary School	3,000,000.00	-	~	3,000,000.00	3,000,000.00	~
Ainamoi Secondary School	1,200,000.00	-	~	1,200,000.00	1,200,000.00	~
Changina Secondary School	1,200,000.00	-	~	1,200,000.00	1,200,000.00	~
Chepkisa Secondary School	800,000.00	-	800,000.00	1,600,000.00	~	1,600,000.00
Cherangoi Secondary School	1,650,000.00	-	1,650,000.00	3,300,000.00	~	3,300,000.00
Chepkoiyet Secondary School	800,000.00	-	800,000.00	1,600,000.00	~	1,600,000.00
Chiliani Secondary School	1,200,000.00	-	~	1,200,000.00	1,200,000.00	~

Na **Government Constituencies Development Fund (NG-CDF)**
Embu and Dikirr Constituency
Reports and Financial Statements for the year ended June 30, 2021

Dikirr Secondary School	3,500,000.00	-	3,500,000.00	7,000,000.00	~	7,000,000.00
Kapsasian Secondary School	700,000.00	-	~	700,000.00	700,000.00	~
Kelaget Secondary School	800,000.00	-	800,000.00	1,600,000.00	~	1,600,000.00
Kelonget Secondary School	300,000.00	-	300,000.00	600,000.00	~	600,000.00
Klipsisrwet Secondary School	300,000.00	-	300,000.00	600,000.00	~	600,000.00
Koisagat Secondary School	3,000,000.00	-	~	3,000,000.00	3,000,000.00	~
Kureisiet Secondary School	250,000.00	-	250,000.00	500,000.00	~	500,000.00
Mabwaita Secondary School	600,000.00	-	~	600,000.00	600,000.00	~
Mara View Secondary School	3,000,000.00	-	~	3,000,000.00	3,000,000.00	~
Ndamama Girls Secondary School	1,200,000.00	-	~	1,200,000.00	1,200,000.00	~
Olpopongi Secondary School	600,000.00	-	600,000.00	1,200,000.00	~	1,200,000.00
Ilkirin Secondary School			7,000,000.00	7,000,000.00		7,000,000.00
Soimnging Secondary School	1,200,000.00	-	~	1,200,000.00	1,200,000.00	~

**National Government Constituencies Development Fund (NG-CDF)
Emurua Dikirr Constituency
Reports and Financial Statements for the year ended June 30, 2021**

9.0 Tertiary institutions Projects (List all the Projects)								
Emurua Dikirr Technical Training Institute	1,200,000.00	-	1,200,000.00	2,400,000.00		~	2,400,000.00	~
	-	-	-	~		~		~
10.0 Security Projects	-	-	-	~		~		~
11.0 Acquisition of assets								
11.1 Motor Vehicles (including motorbikes)	-	-	-	~		~		~
11.2 Construction of CDF office	-	-	-	~		~		~
11.3 Purchase of furniture and equipment	-	-	-	~		~		~
11.4 Purchase of computers	-	-	-	~		~		~
11.5 Purchase of land	-	-	-	~		~		~
12.0 Others	-	-	-	~		~		~
12.1 Strategic Plan	-	-	-	~		~		~
12.2 Innovation Hub	-	-	-	~		~		~
12.2 Roads	-	-	-	~		~		~
Kurangurik KMTC	7,000,000.00	0	7,000,000.00	14,000,000.00		~	14,000,000.00	~
Murkan Rescue Centre Secondary	4,000,000.00	0	4,000,000.00	8,000,000.00		~	8,000,000.00	~
Murkan Rescue Centre Secondary	1,976,000.00	0	1,976,000.00	3,952,000.00		~	3,952,000.00	~
Murkan Rescue Centre Secondary	2,400,000.00	0	2,400,000.00	4,800,000.00		~	4,800,000.00	~

Na Government constituencies development Fund (NG-CDF)
 Muramba a Dikirr Constituency
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Murkan Rescue Centre Secondary	580,000.00	0	580,000.00	1,160,000.00	~	1,160,000.00
Murkan Rescue Centre Secondary	300,000.00	0	300,000.00	600,000.00	~	600,000.00
Kibisorwet Chebaraa-4kms	3,000,000.00	0	3,000,000.00	6,000,000.00	~	6,000,000.00
Kiribwet Chepkulul 4 kms	3,000,000.00	0	3,000,000.00	6,000,000.00	~	6,000,000.00
Mamboleo Naisugut 4 kms	2,936,639.21	0	2,936,639.21	5,873,278.42	~	5,873,278.42
Ndamama-Kelonget 3 kms	3,000,000.00	0	3,000,000.00	6,000,000.00	~	6,000,000.00
Abossi Resource Centre	600,000.00	0	600,000.00	1,200,000.00	~	1,200,000.00
Abossi Resource Centre	1,000,000.00	0	1,000,000.00	2,000,000.00	~	2,000,000.00
Chepkisa Resource Centre	700,000.00	0	700,000.00	1,400,000.00	~	1,400,000.00
Kapitololo Rescue Centre	600,000.00	0	600,000.00	1,200,000.00	~	1,200,000.00
Mokondo Rescue Centre	600,000.00	0	600,000.00	1,200,000.00	~	1,200,000.00
Mokondo Centre	200,000.00	0	200,000.00	400,000.00	~	400,000.00
Murkan Centre	200,000.00	0	200,000.00	400,000.00	~	400,000.00
Kibailuk Primary School	700,000.00	0	700,000.00	1,400,000.00	~	1,400,000.00
Kolbeyot Primary School	700,000.00	0	700,000.00	1,400,000.00	~	1,400,000.00

**National Government Constituencies Development Fund (NG-CDF)
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Rwandanat Primary School	300,000.00	0	300,000.00	600,000.00	-	600,000.00
TOTAL	137,088,879	3,058,748	69,367,724	209,515,351	132,278,881	77,236,470

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 NGCDF EMURUA DIKIRR for all the years presented.

a) Recognition of Receipts

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

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

Transfers from the NG-CDF BOARD 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

**National Government Constituencies Development Fund (NG-CDF)
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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 NGCDF EMURUA DIKIRR recognises all payments when the event occurs and the related cash has actually been paid out by the NGCDF EMURUA DIKIRR.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end

of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

The NGCDF EMURUA DIKIRR 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 NGCDF EMURUA DIKIRR, or vice versa.

National Government Constituencies Development Fund (NG-CDF)
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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO.B041168	1		52,040,875.50
AIE NO.B047997	2		7,279,310.35
AIE NO.	3		4,000,000.00
AIE NO.B104059	4		20,000,000.00
AIE NO. B104438	5		7,000,000.00
AIE NO.B047565	6		9,000,000.00
AIE NO.B047633	7		19,000,000.00
AIE NO.B047007			9,000,000.00
AIE NO. B041083	1	18,000,000.00	
AIE NO. A823701	2	26,000,000.00	
AIE NO. B124635	3	8,667,724.10	
AIE NO. B124867	4	9,000,000.00	
AIE NO. B119604	5	10,000,000.00	
AIE NO. B119994	6	13,000,000.00	
AIE NO. B12823	7	6,900,000.00	
AIE NO. B129197	8	6,000,000.00	
AIE NO. B132291	9	7,000,000.00	
AIE NO. B138960	10	13,000,000.00	
AIE NO. B126252	11	6,000,000.00	
AIE NO. B105047	12	8,000,000.00	
AIE NO. B 047007	13	10,000,000.00	
	14	12,000,000.00	
TOTAL		153,567,724.10	127,320,185.85

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00

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Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
Total	0.00	0.00

• National Government Constituencies Development Fund (NG-CDF)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from sale of tender documents	0.00	0.00
Hire of plant/equipment/facilities	0.00	0.00
Unutilized funds from PMCs	0.00	0.00
Other Receipts Not Classified Elsewhere	0.00	0.00
Total	0.00	0.00

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,710,170.00	2,624,758.00
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees		
Employer Contributions Compulsory national social security schemes	37,400.00	41,000.00
Total	2,747,570.00	2,665,758.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	2,765,200.00	4,759,960.00
Utilities, supplies and services	2,802,641.00	2,647,572.00
Communication, supplies and services	18,900.00	-
Domestic travel and subsistence	184,000.00	70,000.00
Printing, advertising and information supplies & services	-	204,000.00
Rentals of produced assets		
Training expenses	1,383,000.00	2,060,400.00
Hospitality supplies and services	-	498,200.00
Insurance costs		
Specialized materials and services		
Office and general supplies and services	427,873.00	294,760.00
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	118,521.00
Routine maintenance – other assets		
Total	7,581,614.00	10,653,413.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	40,950,000.00	49,500,000.00
Transfers to secondary schools (see attached list)	23,708,000.00	35,250,000.00
Transfers to tertiary institutions (see attached list)	12,100,000.00	
TOTAL		
	76,758,000.00	84,750,000.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,170,000.00	15,894,000.00
Bursary – tertiary institutions (see attached list)	17,645,068.00	22,739,700.00
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)	2,475,102.00	2,168,787.00
Environment projects (see attached list)	-	2,180,000.00
Emergency projects (see attached list)	6,747,500.00	8,684,000.00
Roads Projects (see attached list)	4,667,027.00	0.00
Total	44,704,697.00	51,666,487.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings	487,000	0.00
Purchase of Vehicles and Other Transport Equipment		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
Total	487,000	0.00

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	0.00	0.00
ICT Hub	0.00	0.00
	0.00	0.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
EQUITY BANK BRANCH- EMURUA DIKIRR NGCDF-A/C no.1230261760486	24,347,590	3,058,748.00
Total	24,347,590	3,058,748.00
10B: CASH IN HAND		
Location 1	0.00	0.00
Total	0.00	0.00
[Provide cash count certificates for each]		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	0.00	0.00
Retention held during the year (B)	0.00	0.00
Retention paid during the Year (C)	0.00	0.00
Closing Retention as at 30 th June D= A+B-C	0.00	0.00

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	0.00	0.00
Gratuity held during the year (B)	0.00	0.00
Gratuity paid during the Year (C)	0.00	0.00
Closing Gratuity as at 30 th June D= A+B-C	0.00	0.00

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	3,058,748.00	16,706,244.80
Cash in hand		
Imprest		
Total	3,058,748.00	16,706,244.80

14. PRIOR YEAR ADJUSTMENTS

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	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0.00	0.00	8,767,974.00
Cash in hand	0.00	0.00	0.00
Accounts Payables	0.00	0.00	0.00
Receivables	0.00	0.00	0.00
Others (specify)	0.00	0.00	0.00
TOTAL	0.00	0.00	8,767,974.00

Note:

The above figure relate to error of omission in the cashbook but the it has since been adjusted in the financial statement.

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0.00	0.00
Imprest issued during the year (B)	0.00	0.00
Imprest surrendered during the Year (C)	0.00	0.00
closing accounts in account receivables D= A+B-C	0.00	0.00

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020– 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0.00	0.00
Deposit and Retentions held during the year (B)	0.00	0.00
Deposit and Retentions paid during the Year (C)	0.00	0.00
closing account receivables D= A+B-C	0.00	0.00

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17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	0.00	0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
	0.00	0.00

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	0.00	0.00
Others (specify)	0.00	0.00
	0.00	0.00

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,046,242	1,046,242.00
Use of goods and services	2,437,651	2,437,650.78
Amounts due to other Government entities (see attached list)	41,000,000	50,190,875.50
Amounts due to other grants and other transfers (see attached list)	13,000,000	13,251,703.80
Acquisition of assets	3,300,000	5,500,000.00
Others (strategic plan)	-	-
Funds pending approval**	8,583,831	-
TOTAL	69,367,724	72,426,472.08

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances	2,663,603.23	5,700,00
	2,663,603.23	5,700,00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		1,046,242	1,046,242	Awaiting Funding from the NGCDF Board
Use of goods & services		2,437,651	2,437,651	Awaiting Funding from the NGCDF Board
Amounts due to other Government entities		41,000,000	50,190,876	Awaiting Funding from the NGCDF Board
	Sub-Total	44,483,893	53,674,768	
Amounts due to other grants and other transfers				
Bursary Secondary School			13,251,704	Awaiting Funding from the NGCDF Board
Bursary Tertiary Institutions		13,000,000		Awaiting Funding from the NGCDF Board
Social Security(NHIF)				
Constituency Sports Project				Project on-going
Constituency Environment Project				Project now complete and in use
Security Projects()				Project now complete and in use
Emergency				Project on-going
	Sub-Total	13,000,000	13,251,704	
Acquisition of assets			66,926,472	
Purchase of furniture and equipment				Project on-going
Others (specify)				Savings
Strategic Plan				Savings
Roads				Savings
	Sub-Total	3,300,000	5,500,000	
Funds pending approval		8,583,831	72,426,472	
	Grand Total	69,367,724		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	~	~	~	~
Buildings and structures	6,724,766.20	~	~	6,724,766.20
Transport equipment	-			-
Office equipment, furniture and fittings	1,099,500.00	487,000		1,586,500
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	7,824,266.20	487,000	-	8,311,266.20

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Chebungei Primary school		1230273598636	1450360	0.00
Soget primary school		1230297556507	64.65	0.00
Judea primary school		1230281156180	0.00	0.00
Kapkwon primary school		1220262053079	357.50	0.00
Kelionget primary school		1203299794557	3172.50	0.00
Megito primary school		1230264343587	1,201,385	0.00
Cheramgoi girls secondary school		123262383073	5,334	0.00
Ainamoi secondary school		123264245560	314.58	0.00
Simotwet shiners primary school		122451651452	1260	0.00
Chilani secondary school		1220272285876	1355	0.00
Total			2,663,603.23	5,700,000

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
AOG/NGCDF/2019/202 0/E-DIKIRR/VOL.1(4)	<p>1. Accuracy of Financial Statements</p> <p>1.1 Comparative Balances</p> <p>1.1.1 Other Payments</p> <p>Note 9 to the Financial Statements reflects other payments balances amounting to Kshs 3,300,000 against statement of receipts and payments nil amounts for the year 2018/2019 resulting to unreconciled difference of Kshs 3,300,000.</p>	<p>During the financial year under review, the receipts and payment was recorded NIL resulting to the unreconciled difference of Kshs 3,300,000. However we had amended the financial statement on statement of receipts and payments to reflect Kshs 3,300,000 and provided evidence of the same.</p>	Resolved	
AOG/NGCDF/2019/202 0/E-DIKIRR/VOL.1(4)	<p>Variance between Budget and Financial statements</p> <p>The statement of receipts and payments reflects total receipts of Kshs 127,320,186 against Summary statement of appropriation: Recurrent and Development Combined actual</p>	<p>During the financial year under review on statement of receipts and payments reflects total receipts of Kshs. 127,320,186 and combined actual receipts amounting to Kshs 144,026,432 resulting to unreconciled</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>receipts amounting to Kshs 144,026,432 resulting to unreconciled variance of Kshs 16,706,246.</p> <p>Further, note 8 to the Financial Statement reflects nil balance on acquisition of assets against statement of appropriation; recurrent and development reflect total payments of Ksh.2,665,758 being acquisition of assets during the year resulting to unreconciled or unexplained variance Ksh.2,665,758.</p>	<p>variance of Kshs 16,706,246. The variance of Kshs 16,706,246 was the balance carried forward from the prior financial year.</p> <p>Also the acquisition of assets against statement of appropriation shows unexplained variance of Ksh.2,665,758. We have since amended the variance in statement of appropriation to reflect NIL.</p>		
<p>AOG/NGCDF/2019/2020/E-DIKIRR/VOL.1(4)</p>	<p>Cash and Cash Equivalents</p> <p>The statement of assets and liabilities as at 30 June, 2020 reflect a balance of Ksh.3,058,748 in respect of cash and cash equivalents. However, a review of the Emurua Dikirr NG-CDF bank reconciliation statement as at 30 June 2020 revealed stale cheques amounting to Kshs.1,021,098. No explanation has been provided for failure to update the cash book</p>	<p>During the audit exercise a copy of reverse cheques of Kshs.1,021,098 from the cashbook was provided for the audit verification, this was because most bursary beneficiaries were not able to present their cheques on time due to the lockdown and many schools were all closed indefinite due to Covid 19 pandemic. However, all reversed</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	with the amount of stale cheques. In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs. 3,058,748 cannot be confirmed.	cheques have been reissued to the respective owners.		
	PMC Bank Balances Note 17.4 to the financial statements on the PMC bank balances as at 30 June, 2020 reflects a balance of Ksh.5,700,000 held in fifteen (15) schools. However, the certificate of bank balances indicate that PMC bank accounts had a total amount of Ksh.4,999,902 as at 30 June 2020 resulting to unreconciled variance Kshs.700,098.	For the financial year under audit review, there was unreconciled variance of Kshs.700,098. Bank Balance certificate was provided for the audit, however the variance was since included.	Resolved	
AOG/NGCDF/2019/2020/E-DIKIRR/VOL.1(4)	Fixed Assets Register Annex 4 to the financial statements (summary of fixed asset register) reflects that the Emurua	During the financial year under review under fixed asset register the audit findings revealed unexplained variance of Ksh.1,025,967 and statement of	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Dikirr NG-CDF as at 30 June, 2020 had assets worth Ksh.7,824,266 against the fixed assets register amounts totaling to Ksh.6,798,299 resulting to an unexplained variance of Ksh.1,025,967. Further, statement of appropriation; recurrent and development reflect total payments of Ksh.2,665,758 being acquisition of assets during the year which has not being reflected as additions during the year under annex 4.	appropriation reflect total payments of Ksh.2,665,758. This has since been rectified to NIL in the statement of appropriation and asset registered in the year under review.		