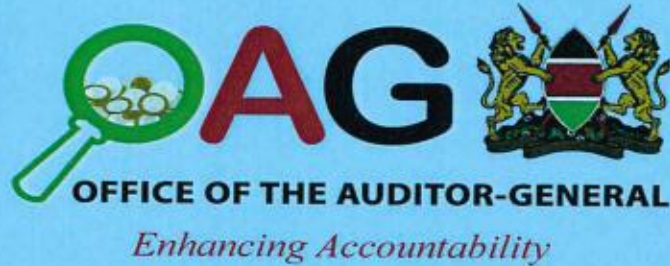


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



Revised Template 30th June 2021



LIKUYANI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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 Likuyani 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	Hennistone Kemboi
2.	Sub-County Accountant	Jepkosgei Katwa
3.	Chairman NGCDFC	Francisca Nakhayo
4.	Member NGCDFC	Joel Kibet

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF LIKUYANI Constituency Headquarters

P.O. Box 15-30205
MATUNDA

(f) NGCDF LIKUYANI Constituency Contacts

Telephone: (254) 15560144
E-mail: Likuyani@ngcdf.go.ke
Website: www.likuyanincdf.go.ke

(g) NGCDF LIKUYANI Constituency Bankers

1. Equity Bank
A/C no 0500261734009
P.O. Box 2512-50100
Kakamega
Tel: 056-30239/40

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE



Mrs. Fransisca Nakhayo Munyekenye(CHAIRPERSON)

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

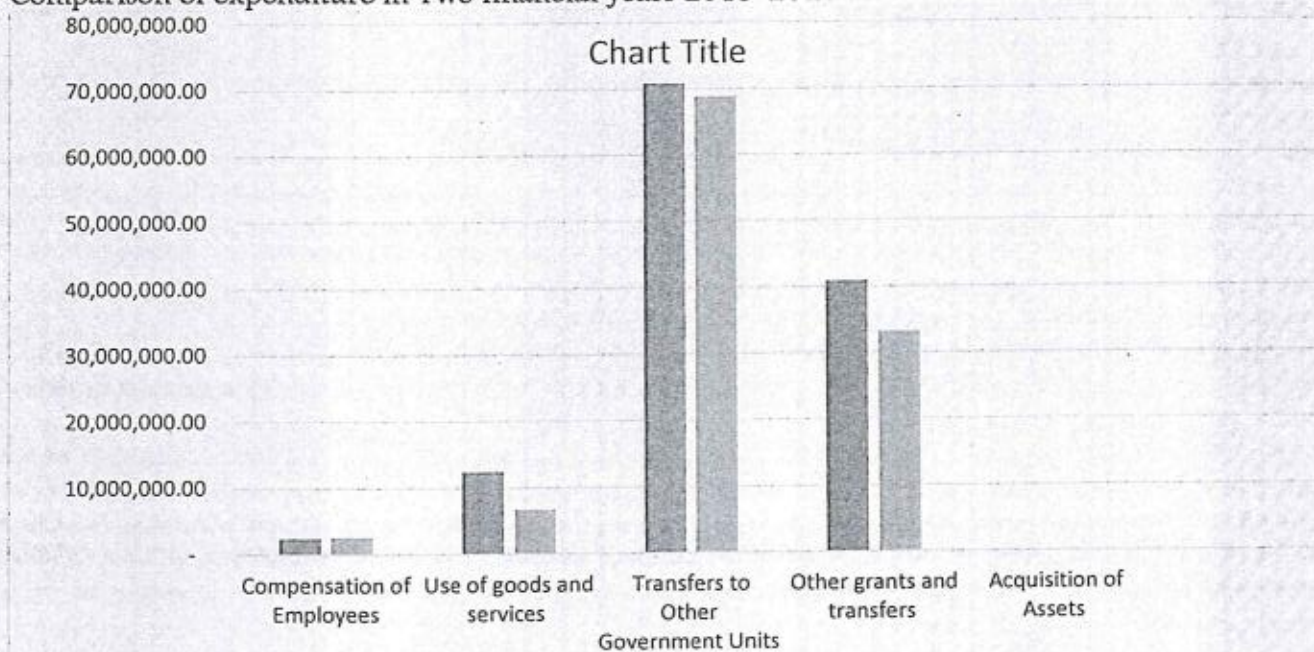
- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;

- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

It is my pleasure to present to you LIKUYANI NGCDF's annual report and financial statements for the financial year 2020/2021. In the year under review, our overall performance was low as compared to last financial year due to Corona Virus Pandemic that slowed down the disbursement of bursary funds amounting to Kshs 26,412,733 delay in payments.

In Comparison to last financial year, our performance was lower by 30%. The figure below will show us sectoral performance in comparison to the two financial years.

Comparison of expenditure in Two financial years 2019-2020 and 2020-2021



From the above chat, expenditure in 2019-2020 was more in all the sector than 2020-2021. It is evident that transfer to other government institutions has the highest expenditure because most of our expenditure went to schools.

We still have a lot of requests to fund water projects which is a devolved function especially from schools. We also have a lot pressure to fund the roads and bridges not under Kerra and National

government which are not attended by the county. But unable to do that due to the law of devolution. We have engaged the county to help us solve these issues but we haven't had a breakthrough and request the Board to come up with a policy of how to fund such projects which are closer to our people

We also experienced a challenge of vetting of our Bursary beneficiaries due to the interference of Corona Pandemic. But we appreciate the CDF BAORD for disbursing whole of our Funds in the Financial year 2020/2021.

SECTORAL REVIEWS

Most of our funding goes to Primary Schools and secondary schools which are the priority of the constituency. The education sector has the lions share including support of needy students in our constituency. We have also funded some security sector especially construction of offices to chiefs and Subcounty commissioner.

We look forward to better performance in the next financial year 2021-2022 when our economy opens up. We will expedite on expenditure to ensure 100% compliance.



Sign

FRANSISCA NAKHAYO

CHAIRPERSON LIKUYANI NGCDF COMMITTEE



III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 *Likuyani Constituency 2018-2022* plan are to:

- a) Honesty and integrity
- b) Efficiency and effectiveness
- c) Innovation and creativity
- d) Inclusiveness
- e) Equity and Equality
- f) Accountability and transparency

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 20/21 -we increased number of classrooms, dormitories, laboratories etc from 53 to 71 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To provide security to the community	Increased security within the community	Increased number of police station Contraction of chief's offices	In F/Y 20/21 -we constructed 3 new chief offices
Environment	To provide clean drinking water		Increased rehabilitation of water points	In f/y 20/21 -we constructed 5 five new water points

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Sports	To provide sports materials to youth	To reduce idleness within the youth	We purchased sports materials worth Ksh 500,000 to 10 new football teams	In F/Y 20/21 - We supplied sports materials to new 10 football teams
Emergency	To improve toilets with our schools	To reduce communicable diseases within our institutions	We Constructed new 20 toilets with our institution	In F/Y 20/21 - We constructed new 20 toilets within our institutions

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

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

2. Environmental performance

- *The constituency have rehabilitated ten water springs two in each ward*
- *The constituency bought mask and supplied to youth and boda boda riders in the 5 wards*

3. Employee welfare

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

employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Likuyani constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues. Likuyani constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Likuyani 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

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

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

The Accounting Officer in charge of the NGCDF Likuyani Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Likuyani Constituency financial statements were approved and signed by the Accounting Officer on 10th Sept 2021.



Chairman NGCDF Committee
Name:



Fund Account Manager
Name:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LIKUYANI 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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Likuyani Constituency set out on pages 15 to 48,

which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Cash and Cash Equivalents

1.1 Unsupported Bank Balance

The statement of financial position reflects a balance of Kshs.13,852,403 in respect of cash and cash equivalents which, as disclosed in Note 10A to the financial statements, represents the reconciled bank balance held in the Fund's bank account at a local bank. However, the bank balance confirmation certificate was not provided for audit.

1.2 Unauthorized and Undisclosed Bank Account

The statement of receipts and payments reflects an amount of Kshs.2,760,806 in respect of compensation of employees which, as disclosed in Note 4 to the financial statements, includes Kshs.303,144 relating to gratuity to contractual employees and which, according to records provided, was deposited into the Fund's staff gratuity account held at a local bank. However, no evidence was provided to show that the opening and maintenance of the bank account was duly authorised as required under Section 28(1) of the Public Finance Management Act, 2012 which provides that The National Treasury shall authorize the opening, operating and closing of bank accounts and sub-accounts for all national government entities in accordance with Regulations made under the Act. In addition, the balance held in the bank account was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.13,852,403 as at 30 June, 2021 could not be confirmed.

2. Unsupported Transfers to Other Government Units

The statement of receipts and payments reflects an amount of Kshs.89,052,252 in respect of transfers to other Government units which, as disclosed in Note 6 to the financial statements, includes Kshs.37,450,000 being transfers to secondary schools out of which Kshs.12,550,000 was disbursed to twelve (12) schools for implementation of

various projects. However, supporting documentation regarding implementation of the projects from the respective Project Management Committees was not provided for audit. Further, the amount includes Kshs.3,931,034 paid to a local motor dealer for purchase of a school bus for Ivugwi Secondary School for which supporting documents including payment vouchers, delivery notes, invoices, requisition, and purchase orders were not provided for audit.

In the circumstances, the accuracy and validity of the expenditure on transfers of Kshs.37,450,000 to secondary schools 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 - Likuyani 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 summary statement of appropriation reflects actual income of Kshs.146,947,016 against a budget amount of Kshs. 191,135,895 resulting to an under-collection of revenue of Kshs.44,188,879 or 24% of the budget. Further, the statement reflects budgeted total expenditure of Kshs.191,135,895 against actual expenditure of Kshs.133,094,613 yielding a budget under-absorption of Kshs.58,041,282 or 31% of the budget.

As a result, the Fund did not implement all planned and approved projects which may have had a negative impact on the services rendered to the residents of Likuyani Constituency.

2. Unresolved Prior Year Audit Matters

As disclosed under the progress on follow-up of auditor recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided satisfactory reasons for the delay in resolving the issues.

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, I confirm that, nothing 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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


23 September, 2022


VII. STATEMENT OF RECEIPTS AND PAYMENTS


	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	92,900,000	137,367,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	776,708	40,000
TOTAL RECEIPTS		93,676,708	137,407,724
PAYMENTS			
Compensation of employees	4	2,760,806	2,598,496
Use of goods and services	5	10,356,387	5,921,590
Transfers to Other Government Units	6	89,052,252	68,838,760
Other grants and transfers	7	22,981,820	32,716,062
Acquisition of Assets	8	7,943,348	58,720
Other Payments	9	-	456,521
TOTAL PAYMENTS		133,094,613	110,590,149
SURPLUS/DEFICIT		(39,417,905)	26,817,575

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Likuyani Constituency financial statements were approved on _

10th 32nd 2021 and signed by:


Fund Account Manager
Name: HEMISTONE H. KEMEN


National Sub-County
Accountant
Name: Jephkoegei Kaitani
ICPAK M/No: 6775


Chairman NG-CDF Committee
Name: Frankisch NPSHAYO



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	13,852,403	53,270,308
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		13,852,403	53,270,308
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		13,852,403	53,270,308
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		13,852,403	53,270,308
REPRESENTED BY			
Fund balance b/fwd 1st July...		53,270,308	26,452,733
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(39,417,905)	26,817,575
NET FINANCIAL POSITION		13,852,403	53,270,308

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Likuyani Constituency financial statements were approved on _

10th Sept 2021 and signed by:

Fund Account Manager
Name: HEMISTONE H. KEMBOI

National Sub-County
Accountant
Name: Josphosgi Kaitani
ICPAK M/No: 6775

Chairman NG-CDF Committee


Name: FRANCIS NAKHATO


10 SEP 2021


IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	92,900,000	137,367,724
Other Receipts	3	776,708	40,000
		93,676,708	137,407,724
Payments for operating activities			
Compensation of Employees	4	2,760,806	2,598,496
Use of goods and services	5	10,356,387	5,921,590
Transfers to Other Government Units	6	89,052,252	68,838,760
Other grants and transfers	7	22,981,820	32,716,062
Other Payments	9	-	456,521
		125,151,265	110,531,429
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(31,474,557)	26,876,295
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(7,943,348)	-
Net cash flows from Investing Activities		(7,943,348)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(39,417,905)	26,876,295
Cash and cash equivalent at BEGINNING of the year	10	53,270,308	26,394,013
Cash and cash equivalent at END of the year		13,852,403	53,270,308

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Likuyani Constituency financial statements were approved on 10th SEP 2021 and signed by:


Fund Account Manager
Name: HEMISTONE H. KEMGA


National Sub-County
Accountant
Name: Sepkosgei KEMET
ICPAK M/No: 6775


Chairman NG-CDF Committee
Name: FRANCIS NAKHATO

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

X. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	137,088,879	0	190,359,187	146,170,308	44,188,879	76.8%
Proceeds from Sale of Assets			0	-	-	0.0%
Other Receipts	-	776,708	776,708	776,708	-	100.0%
TOTAL RECEIPTS	137,088,879	776,708	191,135,895	146,947,016	44,188,879	76.9%
PAYMENTS						
Compensation of Employees	4,722,246	0	8,032,566	2,760,806	5,271,760	34.4%
Use of goods and services	7,614,754		15,363,344	10,356,387	5,006,957	67.4%
Transfers to Other Government Units	77,787,452	776,708	102,789,173	89,052,252	13,736,921	86.6%
Other grants and transfers	46,964,427		56,420,064	22,981,820	33,438,244	40.7%
Acquisition of Assets	-		7,943,348	7,943,348	-	100.0%
Other Payments	-		587,400	-	587,400	0.0%
Unallocated funds						
TOTAL	137,088,879	776,708	191,135,895	133,094,613	58,041,282	69.6%

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

Reconciliation of Statement of Budget Appropriation to Statement of Assets and Liabilities introduced



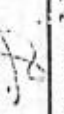
Notes

opening balance on other transfer differ with a difference of 21,240,000 because there was a reallocation from bursary vote head to transfer to Government entities
Opening balance of acquisition of asset there was a reallocation of Ksh 630,000 to transfer to govern entities as per attached reallocation document dated 1st september 2020

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilisation difference totals	58,041,282
Less undisbursed funds receivable from the Board as at 30th June 2021	44,188,879
	13,852,403
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	13,852,403

The NGCDF-Likuyani Constituency financial statements were approved on _____ 2021 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: <i>HEMISTONE H. LEMGAT</i>	Name: <i>SOPHOSGAI KAGHAT</i>	Name: <i>PHILIP KUSIA</i>
	ICPAK M/No: <i>6775</i>	

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Opening Balance (C/Bk) and AIA	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2020/2021		Previous years Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,722,246	3,488,323		8,210,569	2,760,806	5,449,763	34
1.2 Committee allowances	2,196,000	2,352,000		4,548,000	3,000,000	1,548,000	66
1.3 Use of goods and services	1,306,754	365,547		1,672,301	500,000	1,172,301	30
Total	8,225,000	6,205,870	-	14,430,870	6,260,806	8,170,064	43
2.0 Monitoring and evaluation						-	-
2.1 Capacity building	1,000,000	1,000,000		2,000,000	1,500,000	500,000	75
2.2 Committee allowances	2,328,000	2,400,000		4,728,000	4,000,000	728,000	85
2.3 Use of goods and services	784,000	721,000		1,505,000	1,356,387	148,613	90
Total	4,112,000	4,121,000	-	8,233,000	6,856,387	1,376,613	83
3.0 Emergency						-	-
3.1 Primary Schools	6,812,207	437,599		7,249,806	6,398,000	851,806	88
3.2 Secondary schools				-		-	-
3.3 Tertiary institutions				-		-	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
0	380,000		-	380,000	380,000	-	-
3.5 Unutilised				-	-	-	-
Total	7,192,207	437,599	-	7,629,806	6,778,000	851,806	89
4.0 Bursary and Social Security				-		-	-
4.1 Secondary Schools	22,072,220	110,642		22,182,862	11,360,000	10,822,862	51
4.2 Tertiary Institutions	12,000,000	6,233,917	776,708	19,010,625	1,557,000	17,453,625	8
4.3 Social Security	1,500,000	1,500,000		3,000,000		3,000,000	-
4.4 Special Needs	200,000			200,000	-	200,000	-
Total	35,772,220	7,844,559	776,708	44,393,487	12,917,000	31,476,487	29
5.0 Sports				-		-	-
5.1	500,000	500,000		1,000,000	542,000	458,000	54
Total	500,000	500,000	-	1,000,000	542,000	458,000	54
						-	-
6.0 Environment						-	-
Kisigame Primary School	100,000	100,000		200,000	200,000	-	100
Kware Primary School	100,000	100,000		200,000	200,000	-	100
Kambi Mawe Abeke Primary School	100,000	100,000		200,000	200,000	-	100
Lukusi Primary School	100,000	100,000		200,000	200,000	-	100
Nyorotis Primary School	100,000	100,000		200,000	194,820	5,180	97
6.1				-		-	-
Total	500,000	500,000	-	1,000,000	994,820	5,180	99
7.0 Primary Schools Projects				-		-	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation(f=d/c %)
Brigadier Musonye Primary School	1,500,000		1,500,000	1,500,000	-	100
Lumino Primary School	600,000		600,000	600,000	-	100
St Monica Primary School	500,000		500,000	500,000	-	100
Kambi Mawe Abeka Primary School	500,000		500,000	500,000	-	100
Everglade Primary School	500,000		500,000	500,000	-	100
Mary Lusweti Primary School	500,000		500,000	500,000	-	100
Arch Angel Raphael Primary School	500,000		500,000	500,000	-	100
St Michael Nzoia Primary School	1,500,000		1,500,000	1,500,000	-	100
Lugulu Primary School	1,250,000		1,250,000	1,250,000	-	100
Sikhendu Primary School	1,250,000		1,250,000	1,250,000	-	100
St Francis Milima Primary School	600,000		600,000	600,000	-	100
St Josephs ACK Kipsangui	500,000		500,000	500,000	-	100
Makutano Primary School	432,252		432,252	432,252	-	100
Kosoki Primary School	1,100,000		1,100,000	1,100,000	-	100
Nangili Primary School	1,000,000		1,000,000	1,000,000	-	100
Nasianda Primary School	1,000,000		1,000,000	1,000,000	-	100
Sikulu Primary School	500,000		500,000	500,000	-	100
Kongoni Primary School	1,500,000		1,500,000	1,500,000	-	100
Musemwa Primary School	1,750,000		1,750,000	1,750,000	-	100
Mtoni Primary School	1,500,000		1,500,000	1,500,000	-	100
Mbururu Primary School	1,000,000		1,000,000	1,000,000	-	100

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(c = c-d)	% of Utilisation(f=d/c %)
Matisi Primary School	1,000,000		1,000,000	1,000,000	-	100
Kona Primary School	1,000,000		1,000,000	1,000,000	-	100
Lwanda Primary School;	750,000		750,000	750,000	-	100
Muruli Primary School	500,000		500,000	500,000	-	100
Patrice Primary School	500,000		500,000	500,000	-	100
Nyorotis Primary School	500,000		500,000	500,000	-	100
Binyenya Primary School	500,000		500,000	500,000	-	100
Ngao Primary School	500,000		500,000	500,000	-	100
Sinoko Andeyo Primary School	750,000		750,000	750,000	-	100
Namunyiri Primary School	750,000		750,000	750,000	-	100
Dr Wakube Primary School	750,000		750,000	750,000	-	100
Mandila Primary School	750,000		750,000	750,000	-	100
Ludodo Primary School	500,000		500,000	500,000	-	100
Sirende Blessing Primary School	500,000		500,000	500,000	-	100
Lurende Primary School	500,000		500,000	500,000	-	100
Mois Bridge Primary School	500,000	18,470,000	18,970,000	500,000	18,470,000	3
			-	11,264,800	(11,264,800)	-
			-		-	-
			-		-	-
Total	29,732,252	18,470,000	48,202,252	40,997,052	7,205,200	85
8.O Secondary Schools Projects			-		-	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation(f=d/c %)
Friends Secondary School Binyenya		3,000,000	3,000,000		3,000,000	-
St Michael Kilimani Secondary School	1,600,000		1,600,000	1,600,000	-	100
St Johns The Baptist Likuyani Boys Secondary School	1,500,000		1,500,000	1,500,000	-	100
St Elizabeth Likuyani Girls Secondary School	1,500,000		1,500,000	1,500,000	-	100
St Monica Secondary School	500,000		500,000	500,000	-	100
Aligula Secondary School	1,300,000		1,300,000	1,300,000	-	100
Lumino Secondary School	300,000		300,000	300,000	-	100
Mary Lusweti Secondary School	300,000		300,000	300,000	-	100
Mary Lusweti Secondary School	4,500,000		4,500,000	4,500,000	-	100
St Augustine Soysambu Secondary School	1,500,000		1,500,000	1,500,000	-	100
St Josephs Kogo Secondary School	1,500,000		1,500,000	1,500,000	-	100
Mapera Secondary School	1,500,000		1,500,000	1,500,000	-	100
Mapera Secondary School	300,000		300,000	300,000	-	100
St Veronica Mirembe Girls Secondary School	1,500,000		1,500,000	1,500,000	-	100
St Teresa Secondary School	300,000		300,000	300,000	-	100
Moi Girls High School - Nangili	1,500,000		1,500,000	1,500,000	-	100
Nasianda Secondary School	1,200,000		1,200,000	1,200,000	-	100
Kisigame Secondary School	1,200,000		1,200,000	1,200,000	-	100
Kisigame Secondary School	300,000		300,000	300,000	-	100
Friends Secondary School Kongoni	1,200,000		1,200,000	1,200,000	-	100
St Teresa Secondary School	4,500,000		4,500,000	4,500,000	-	100
St Stephens Lwanda Secondary School						100

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2,000,000		2,000,000	2,000,000	-	
St Josephs Nyorotis Secondary School	300,000		300,000	300,000	-	100
Binyenya Secondary School	6,555,200		6,555,200	6,555,200	-	100
St Henry Saisi Wabuge Girls Secondary School	2,500,000		2,500,000	2,500,000	-	100
St Henry Saisi Wabuge Boys Secondary School	1,000,000		1,000,000	1,000,000	-	100
St Peters Girls Mois Bridge Girls Secondary School	300,000		300,000	300,000	-	100
Eshikulu Girls Secondary School	1,000,000		1,000,000	1,000,000	-	100
Eshikulu Girls Secondary School	600,000		600,000	600,000	-	100
Eshikulu Boys Secondary School	1,000,000		1,000,000	1,000,000	-	100
Mwiba S.A Secondary School	300,000		300,000	300,000	-	100
St Peters Girls Mois Bridge Girls Secondary School	4,500,000	2,600,000	7,100,000	4,500,000	2,600,000	63
Total	48,055,200	5,600,000	53,655,200	48,055,200	5,600,000	90
9.0 Tertiary institutions Projects			-		-	-
Galana TCC			-		-	-
Total	-	-	-	-	-	-
10.0 Security Projects			-		-	-
Likuyani Deputy County Commissioners Residential house	1,500,000		1,500,000	1,500,000	-	100
Mabusi Assistant County commissioners Office	750,000		750,000	250,000	500,000	33
Kongoni Chiefs Office	750,000		750,000		750,000	-
		1,000,000	1,000,000	-	1,000,000	-
Total	3,000,000	1,000,000	4,000,000	1,750,000	2,250,000	44
11.0 Acquisition of assets			-		-	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
11.1 Motor Vehicles	-	8,441,280	8,441,280	7,838,348	602,932	93
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	150,000	150,000	-	150,000	-
11.4 Purchase of computers	-	-	-	105,000	(105,000)	-
Total	-	8,591,280	8,591,280	7,943,348	647,932	92
12.0 Other payments	-	-	-	-	-	-
Magarini NGCDF Office	-	-	-	-	-	-
Magarini Constituency strategic plan	-	-	-	-	-	-
Kavunyalalo Dispensary	-	-	-	-	-	-
Magarini NGCDF office	-	-	-	-	-	-
Constituency desk project	-	-	-	-	-	-
Total	-	-	-	-	-	-
13.0 unallocated fund	-	-	-	-	-	-
Unapproved projects	-	-	-	-	-	-
AIA	-	-	-	-	-	-
PMC savings	-	-	-	-	-	-
Total	137,088,879	53,270,308	191,135,895	133,094,613	58,041,282	-

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2021 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 Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

XII. NOTES TO THE FINANCIAL STATEMENT

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B041107			4,000,000
AIE NO. B047812			18,000,000
AIENO. B049355			16,000,000
AIE NO. B104378			15,000,000
AIE NO. B096596			15,000,000
AIE NO. B096762			69,367,724
AIE NO.B124591		9,000,000	
AIE NO.B 119542		10,000,000	
		13,000,000	
AIE NO.B119932			
AIE NO.B128174		6,900,000	
AIE NO.B128487		7,000,000	
AIE NO.B 132230		6,000,000	
AIE NO.B126192		13,000,000	
AIE NO.B126192		6,000,000	
AIE NO.B126487		10,000,000	
AIENO. B140630		12,000,000	
TOTAL		92,900,000	137,367,724

2. PROCEEDS FROM SALE OF ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	221,000	40,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	555,708	-
Total	776,708	40,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,359,310	1,966,306
Personal allowances paid as part of salary		
House Allowance	-	288,000
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	303,144	266,394
Employer Contributions Compulsory national social security schemes	98,352	77,796
Total	2,760,806	2,598,496

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	-	21,780
Utilities, supplies and services	-	-
Communication, supplies and services	120,450	298,460
Domestic travel and subsistence	343,230	233,300
Printing, advertising and information supplies & services	-	171,355
Rentals of produced assets	-	-
Training expenses	-	238,394
Hospitality supplies and services	-	-
Other committee expenses	6,022,170	1,948,260
Committee allowance	1,545,500	1,319,150
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,046,054	1,397,461
Fuel, oil and lubricant	1,035,999	260,000
Other operating expenses	229,875	33,430
Bank Charges	13,109	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	10,356,387	5,921,590

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)	51,602,252	21,000,000
Transfers to secondary schools (see attached list)	37,450,000	47,838,790
Transfers to tertiary institutions (see attached list)	-	-
TOTAL	89,052,252	68,838,760

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	-	23,355,420
Bursary – tertiary institutions (see attached list)	12,617,000	-
Bursary – special schools (see attached list)	300,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	1,750,000	2,600,000
Sports projects (see attached list)	542,000	-
Environment projects (see attached list)	994,820	-
Emergency projects (see attached list)	6,778,000	6,760,642
Total	22,981,820	32,716,062

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	7,838,348	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	58,720
Purchase of ICT Equipment, Software and Other ICT Assets	105,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	7,943,348	58,720

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	456,521
ICT Hub	-	-
	-	456,521

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Equity bank A/C No. 0500261734009	13,852,403	53,270,308
Total	13,852,403	53,270,308
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

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
Name of Officer	dd/mm/yy	-	-	-
Total				-

12A. RETENTION

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

12B. GRATUITY

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

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	53,270,308	26,452,733
Cash in hand	-	-
Imprest	-	-
Total	53,270,308	26,452,733

14. PRIOR YEAR ADJUSTMENTS

	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	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others(Specify)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	5,449,763	3,488,323
Use of goods and services	4,096,914	7,276,146
Amounts due to other Government entities (see attached list)	12,210,300	3,000,000
Amounts due to other grants and other transfers (see attached list)	35,036,373	30,914,559
Acquisition of assets	647,932	8,591,280
Others (specify)		
Funds pending approval		17,952,920
	58,041,282	53,270,308

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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	We had budgeted for 12 months and the balance is for the remaining 6 months	5,449,763	3,488,323	We had budgeted for 12 months employee salaries hence reason for the balance
Use of goods & services	we had not received all the monies in the f/y 2020-2021	4,096,914	7,276,146	
		9,546,677		
Amounts due to other Government entities	Binyenya Secondary Secondary School		3,000,000	
	St Terezas Secondary School	4,500,000		
	St Peters Secondary School	4,500,000		
	Mary Lusweti Secondary School	3,810,300		
	Sub-Total	12,810,300		
Amounts due to other grants and other transfers			30,914,559	
	Bursary Secondary Schools	10,822,862		
	Bursary Tertiary Schools	17,452,625		
	Bursary Special Schools	200,000		
	NHIF Social Security programme	3,000,000		
	Sports	459,080		
	Emergency	851,806		
	Mabusi Assistant County commissioners Office	500,000		
	Kongoni Chiefs Office	750,000		
	Deputy County Residential office	1,000,000		
		35,036,373		
Sub-Total			8,591,280	
Acquisition of assets	Motor Vehicle			Balance from purchase of NG-CDF Vehicle later reallocated to
	Motor Vehicles	602,932		

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	Purchase of furniture and equipment	45,000		primary school
Total		647,932		
Others (specify)				
Sub-Total				
Funds pending approval				
Grand Total		58,041,282	53,270,508	

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ANNEX 3 – 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	10,599,505	-	-	10,599,505
Transport equipment	99,000	7,838,348	-	7,937,348
Office equipment, furniture and fittings	579,205	-	-	579,205
ICT Equipment, Software and Other ICT Assets	1,063,037	105,000	-	1,168,037
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	12,335,747	7,943,348	-	20,284,095

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

PMC NAME	ACCOUNT NUMBER	BANK	BANK BALANCE 2020/21	BANK BALANCE 2019/20
Aligula Primary School	1145133674	Kenya Commercial Bank	100,000	2,000
Arch Angel Raphael Primary School	1145132674	Kenya Commercial Bank	50,000	3,000
Binyenya Primary School	1133899787		2,500	400
Binyenya sec	1145467788	Kenya Commercial Bank	2,335	5,000
Bondeni Primary School	1456877889	Kenya Commercial Bank	1,590	567
Brigdier Musonye Primary School	1456785697	Kenya Commercial Bank	500	588
Changarawe Primary School	1456789659	Kenya Commercial Bank	2,000	78
Eshikulu Girls sec School	1167786539	Kenya Commercial Bank	3,056	7,777
Everglade primary School	1246889774	Kenya Commercial Bank	3,000	5,678
Friends sec school Kongoni	1145133674	Kenya Commercial Bank	5,002	789
Gimaiyo Primary School	1145133674	Kenya Commercial Bank	23,056	5,000
Godown Police Station	1145133674	Kenya Commercial Bank	6,700	45,467
Godown primar School	1145133674	Kenya Commercial Bank	150,000	56,796
Ivugwi Primary School	1145133674	Kenya Commercial Bank	2,300	455
Ivugwi sec school	1145133674	Kenya Commercial Bank	2,000	2,345
Kambi Mawe Abeka Primary School	1145133674	Kenya Commercial Bank	500	678
Kisigame Primary School	1145133674	Kenya Commercial Bank	50,000	67
Kisigame Sec school	1145133674	Kenya Commercial Bank	2,800	5,567
Kona primary School	1145133674	Kenya Commercial Bank	200,000	543
Kongoni Primary School	1145133674	Kenya Commercial Bank	50,000	567
Mary Luswet Sec	1145133674	Kenya Commercial Bank	5,500,000	5,500,000
St Elizabeth Likuyani Gilrs Sec School	1145667664	Kenya Commercial Bank	600,003	66,654
St Francis Milima Primary School	1147688664	Kenya Commercial Bank	20,087	9,977

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St Henrys Saisi Girls Sec School	1234578774	Kenya Commercial Bank	30,005	778
St Henrys Saisi webuge Boys	1156478564	Kenya Commercial Bank	546,789	88,654
St Johns the baptist Likuyani	1145133674	Kenya Commercial Bank	67,554	8,865
St Josephs ACK Kipsangui pry school	1145667389	Kenya Commercial Bank	4,533	7,668
St Josephs Kogo Sec school	1156545560	Kenya Commercial Bank	6,678	497
st Josephs Nyorotis Sec School	1167757897	Kenya Commercial Bank	5,552	543
St Jude Secondary School	1146788556	Kenya Commercial Bank	567	7,678
St Jude Secondary School	1146756534	Kenya Commercial Bank	887	5,567
St Michael Kilimani Sec School	1146786567	Kenya Commercial Bank	555,467	8,665
St Monica Primary School	1167766668	Kenya Commercial Bank	56,700	88
St Peters Girls Secondary School	1145133674	Kenya Commercial Bank	3,500,000	3,500,000
St teresas Secondary school	1146787864	Kenya Commercial Bank	5,500,000	678
St Veronica Mirembe sec	1567784889	Kenya Commercial Bank	600,000	8,964
			17,652,161	9,358,638

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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)
4.2	During the year under review, the Likuyani Constituency had an approved budget of Kshs.163,860,457 for both recurrent and development. During the same period the Fund recorded total expenditure of Kshs.110,590,149 or approximately 67% of the budget to result to under expenditure of Kshs.53,270,308 or 33% of the budgeted amount	There was underutilization of resources because we received funding at the end of financial year like AIE No B096596 was received late on 21st April 2020 hence having limited time to utilize all funds as per the required time. We will communicate with the NG-CDF Board to be releasing funds on time to maximize on resource utilization	Resolved	
4.3	The CDF was to implement a total of 130 projects/programs by different sectors during the financial year 2019/2020 as tabulated in appendix I. Analysis of the projects indicated that 16 or 12% of the projects had not started, 14 or 11 % of the projects were still on going and 100 or 77 % of the projects had been completed as at the end of the Financial Year June 2020.	Likuyani NG-CDF receives its funding at the end of financial year ie AIE No 096596 was received on 21st April 2020 hence leading to delay in implementation of projects.	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)
	Included in the use of goods figure of Kshs.5,921,590 are expenses totaling Kshs.1,545,394 that were not supported with the relevant documentation	The specific PV had M&E reports as per the attached documents The agreement with fuel supplier is attached The training voucher was a misposting it was supposed to be under other operating expense since it was penalty for KRA	Resolved	
4.4	At the time of audit the following projects had been funded by the Constituency Development Committee (CDC). 1.St Peter's Moi's Bridge Girls Secondary School -Proposed construction of administration block, library and computer laboratory.Kshs.4,000,000 2.Mary Lusweti Secondary School-Proposed construction of administration block, library and computer laboratory Ksh.5,500,000 3.St. Teresa Mukunga Secondary School.-Proposed construction of administration block, library and computer laboratory Kshs. 5,500,000	Tenders were done twice the first one was canceled since there were no eligible contractor and it was re-advertised through newspaper hence causing the delay in implementation of the project now attached is all the documents concerning the project	Not yet solved	1 st October 2021

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>However, the requisite Bills of Quantities (BQs) were not availed for audit as required by the Constituencies Development Fund Regulations, 2016. As a result, it was not clear as to quantities and their values that were to be executed by the prospective contractor.</p> <p>Further, implementation of the projects had not started by 6th April, 2021. This is almost one year after funding had been done.</p>			

