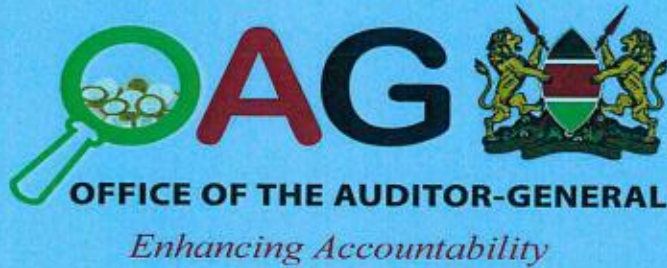


REPUBLIC OF KENYA



REPORT

OF

THE NATIONAL ASSEMBLY	
DATE: 08 MAR 2023	
DAY: Wednesday	
TABLED BY:	Hon Owen Bayo, CBS, MP Deputy Majority Leader
CLERK-AT THE TABLE:	Miriam Ndeti

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KISUMU CENTRAL CONSTITUENCY**

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



Revised Template 30th June 2021



KISUMU CENTRAL 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)

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. NG-CDFC CHAIRMAN'S REPORT	4
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES	9
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	11
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES	14
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- KISUMU CENTRAL CONSTITUENCY</i>	15
VII. STATEMENT OF RECEIPTS AND PAYMENTS	16
VIII. STATEMENT OF ASSETS AND LIABILITIES	17
IX. SUMMARY STATEMENT OF APPROPRIATION	19
X BUDGET EXECUTION BY SECTORS AND PROJECTS	21
XI. SIGNIFICANT ACCOUNTING POLICIES	26
XII. NOTES TO THE FINANCIAL STATEMENTS	30

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

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

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 Kisumu Central Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Henry Samson Juma Opilo
2.	Sub-County Accountant	Lee Omanje
3.	Chairman NGCDFC	Samson Nyawanda Oketch
4.	Member NGCDFC	Anita Nyagaya Ogutu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1077-40100
Tom Mboya Estate
Behind Golden elites Premier School
Kisumu, KENYA

(f) Kisumu Central Constituency NGCDF Contacts

Telephone: (254) 721967624
E-mail: ksmucentral.ngcdf.go.ke
Website: www.go.ke

(g) Kisumu Central Constituency NGCDF Bankers

Cooperative Bank of Kenya
Kisumu East Branch
A/c No. 01141495135700

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

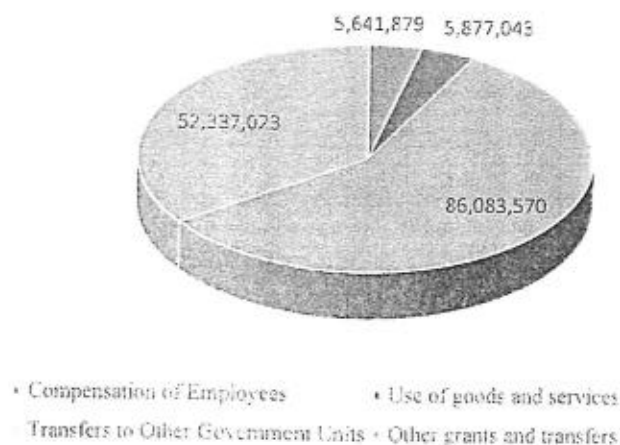
II. NG-CDFC CHAIRMAN'S REPORT



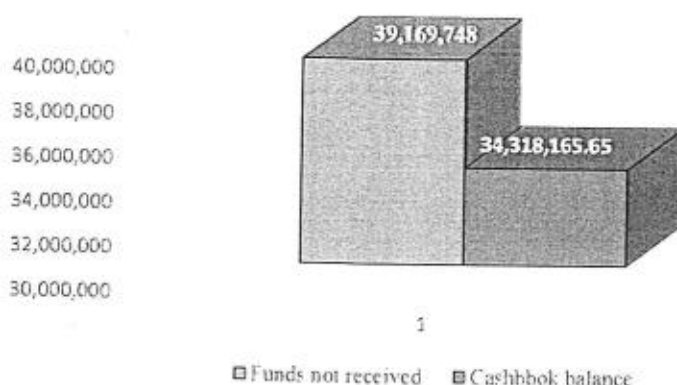
Samson Nyawanda Oketch-Chairman

I present our constituency Annual Report and Financial Statements for the year ended 30th June 2021. The actual receipt from the NGCDF board for the year 2020/2021 was **Kshs.102,900,000** against the annual budget (allocation) of **Kshs137, 088,879**. An additional **Kshs. 73,666,686** was received in relation to the previous financial years. By the closure of the financial year, a balance of **Ksh 39,169,748** of the allocated fund including balances not received from previous years had not been received as elaborated in the appropriate summary (see graph on appropriation of the budget utilization). Even so, the absorption rate was above average with a utilization rate of 67% overall as indicated by the appropriation analysis summary (see the graphs below). This is an increase of 11% from last financial year's absorption rate pointing to a range of improvement measures in implementation of budget in line with the approved codelist and the performance contract.

Budget utilization Analysis



Budget Utilization difference

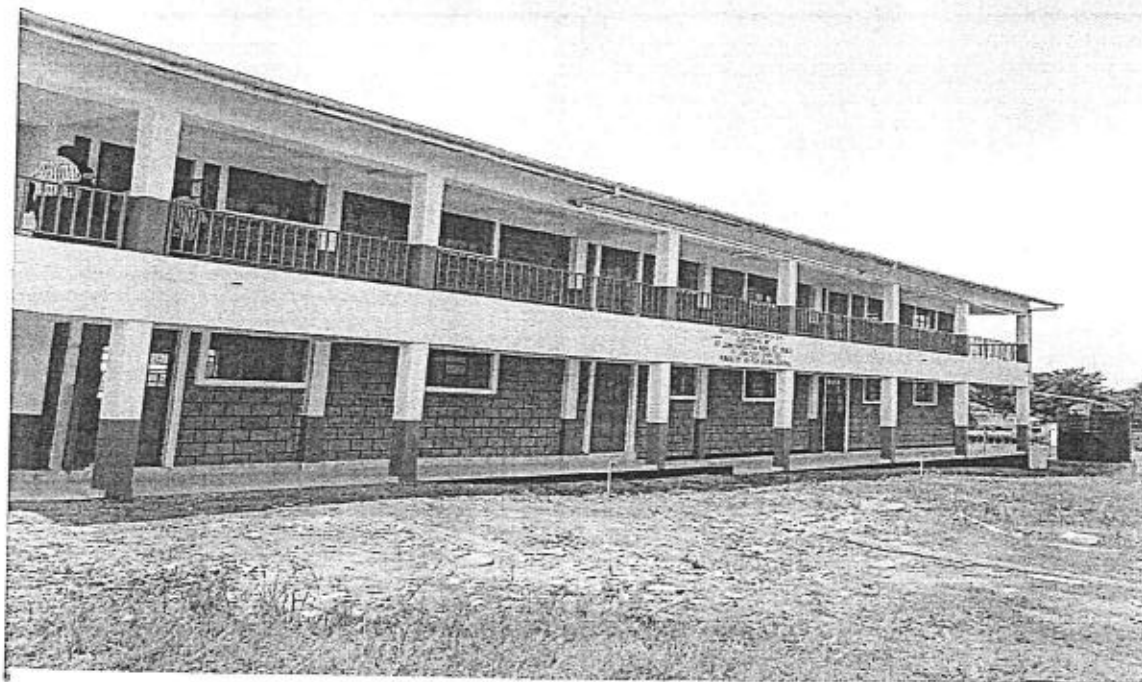


Our commitment to achieve our dream of being the model constituency in Kenya by bringing all the essential services to the people has been our main motivation for the continued good performance under the difficult operating environment.

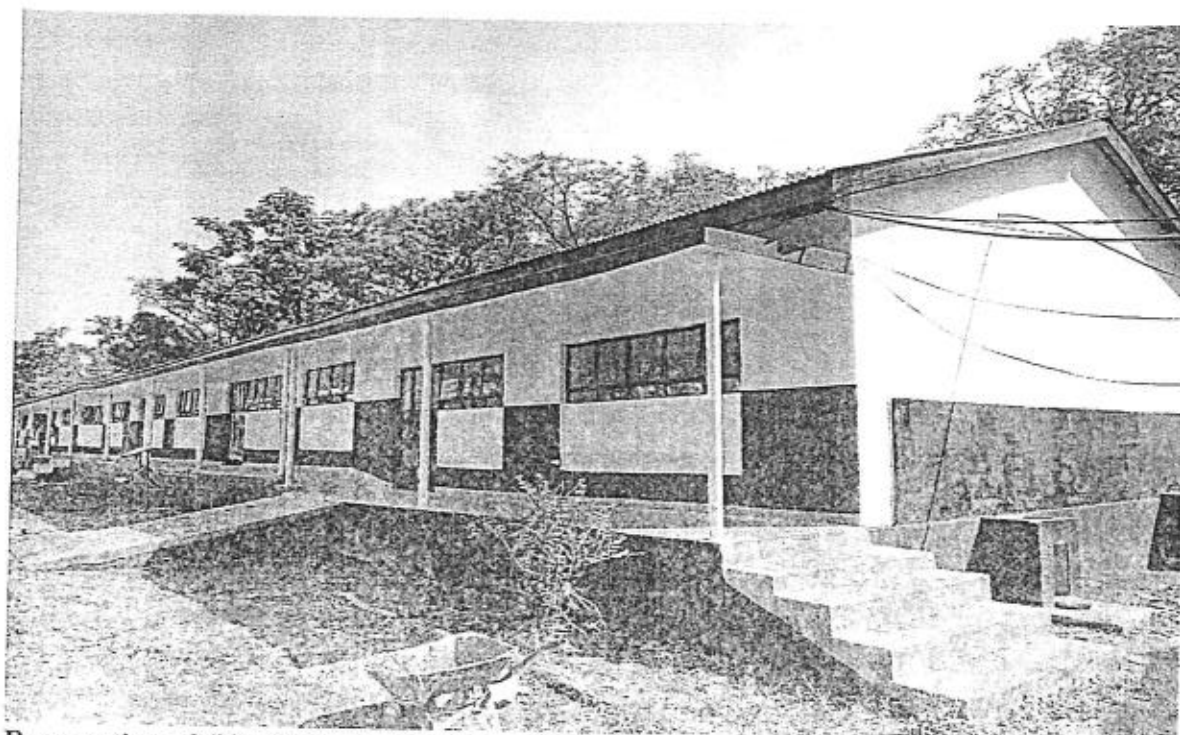
Some of the key achievements during this financial year included disbursement of funds to different government agencies, that is, 15 primary schools (Ksh. 32,902,124), 9 secondary schools (Kshs 53,181,446) and Ksh. 6,273,598 to 4 security projects thus giving total transfer to other government institutions of Kshs. 94,656,288. We were also able to disburse a total of Kshs 25,035,625 to various secondary schools and tertiary institutions benefitting about 3,000 students who some are partially and some fully sponsored thus indicating how education wise the NG-CDF fund is impacting on lives of the Kenyans with specific reference to Kisumu Central constituents.

The following sample photos portrays the projects that were achieved in the just ended FY 20/21;



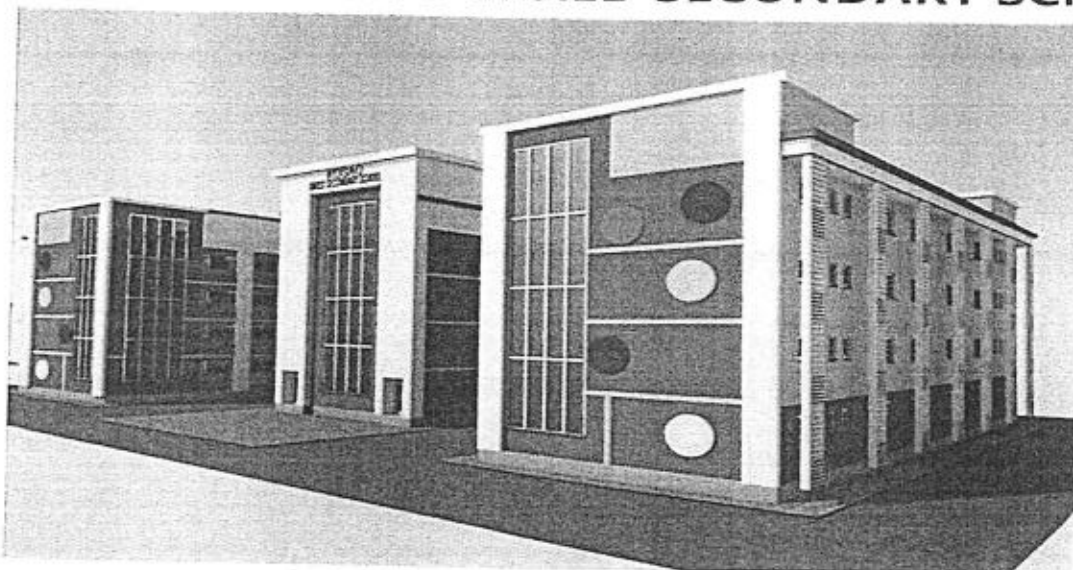


Construction of a storey building made of 6No Classrooms at St John Chrisostom Kudho Secondary

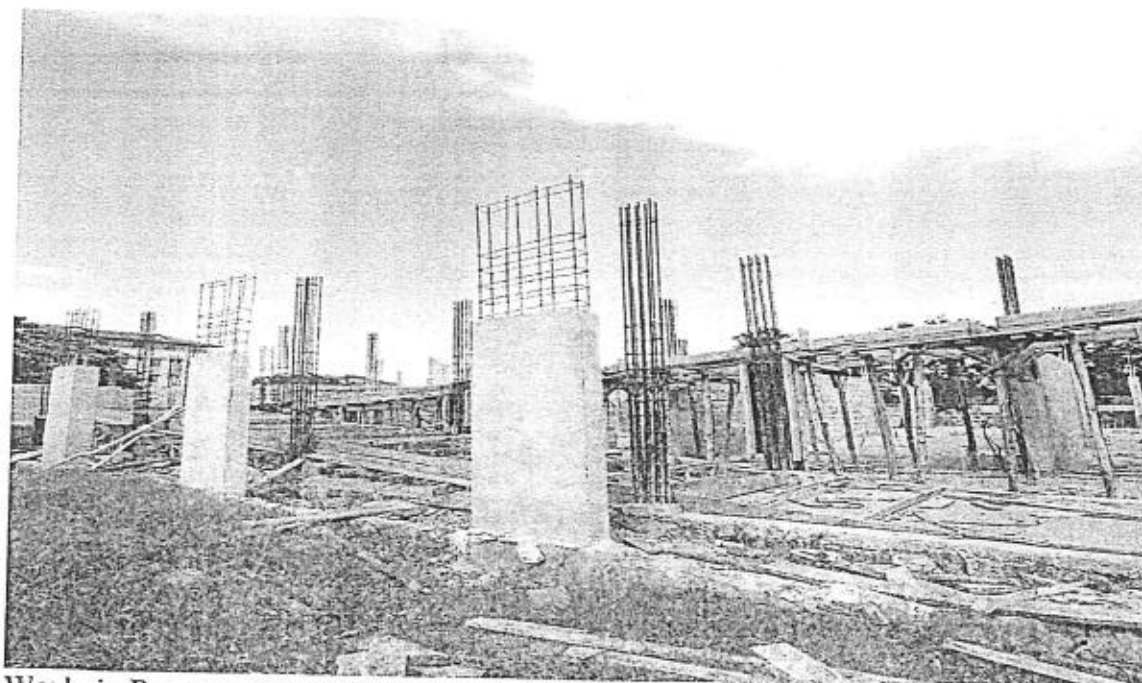


Renovation of 6No. Classrooms at Lions High School

PROPOSED KOSAWO MIXED SECONDARY SCHOOL



courtesy of NG - CDF KISUMU CENTRAL
Proposed Model



Work in Progress

Sign

A handwritten signature in black ink, appearing to read 'S. Nyawanda Oketch'.

Samson Nyawanda Oketch
CHAIRMAN NG-CDF COMMITTEE

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

During the year, it was noticed that there are given projects that irrespective if the feasibility study and all the required due diligence before proposing, they still pose challenges. For instance, this was experienced in Nyalenda B ward at Pand Pieri Primary school where the project year marked was renovation of 21door toilets. However, during the implementation stage, the project did not kick off as a result of co-ownership of the toilets between the school and the community and thus resulted to request for change in activity. The latter challenge slowed down the implementation. Despite the latter challenge, Kisumu Central CDF was able to seek the approval from the NG-CDF Board of which as of now, a special team from NG-CDF Board had come down to the site and soon the project will commence. It was also noted during the FY that bursary is a major concern and thus what was proposed in the last FY was not enough to satisfy the applicants. NGCDF Kisumu Central will therefore consider proposing the full allocation for bursary in the FY 2020/2021.

Signature



**Samson Oketch Nyawanda
CHAIRMAN 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 *Kisumu Central Constituency 2018-2022* plan are to:

- To institutionalize and to continue to build capacity of Kisumu Central Constituency
- To increase access to education and training opportunities
- To develop infrastructure aimed at improving living conditions of the constituents
- To promote social and cultural development
- To promote access to information, communication and technology to accelerate development and skills development
- To reduce insecurity within the constituency
- To improve the environment

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve learning facilities by constructing new classrooms and equipping them, renovating dilapidated structures, modernising libraries and laboratories, construction of ablution and administration blocks, better management of bursary funds	-Increase access to education and training opportunities	<ul style="list-style-type: none"> Students benefits from bursary yearly Number of Primary schools, secondary schools and tertiary institution projects 	-In FY 20/21 number of new classrooms increased by 27, in the following schools/institutions; Kudho Secondary School, Bishop Abiero Shaurimoyo Sec, Dunga Primary, Obinju Kanyakwar Primary school, and Xaverian Primary - More than 3,000 students benefited from bursary
Security	Renovation of police post, construction of	-Availability of security in the communities to	-Number of Police stations infrastructure	Construction of 1 chief's office (Nyalenda B chief's

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

	chiefs' camps, Dos office, chief and Assistant chief's office across the constituency	curb criminal activities	- Number of Chiefs offices - Number of DO's offices	office) completed and two other chiefs' offices are on going. A customer care office has been constructed at Kondele police station. Nyalenda police post has been renovated
Environment	Planting trees, supplying and installation of tanks	-Tanks installed	Number of institution that have benefited from Trees planting -Number of schools with water reserves	-In FY 2020/2021 10 tanks have been installed in secondary and primary schools thus; Kudho Secondary School, Lions Highs School, Central Primary, M.M Shah Primary, Manyatta Primary, St Theresa's Girls High, St Marys Kibuye Girls primary, St Peters Nanga Secondary school and Xaverian Primary school
Sports	Empower and develop youth and special groups	- Number of youth groups benefiting from the sports programme	-Number of sports tournament sponsored by the constituency fund -Number of teams who benefited from sports uniforms	-In FY 2020/2021, sports uniforms were bought and issued to more than 10 teams within the constituency. Constituency tournament was also organized
Emergency	Avoid potential losses from hazards	Eliminate/reduce possibility of risk occurring	Preparedness by budgeting for emergency funds	-In FY 2020/2021 emergency activities were implemented; purchase and distribution of face masks and hand sanitizers

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kisumu Central NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of Kisumu Central NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

2. Environmental performance

Environmental policy is the commitment of an organization or government to the laws, regulations and other policy mechanisms concerning environmental issues. Kisumu central NG-CDF has drafted an environmental policy on:-

- a) Increasing of the number of trees in the constituency by ensuring that in every year funds on planting of trees are allocated to schools and parks within the constituency.
- b) Ensuring that the constituency observe the international environmental day every year.

- c) Ensuring that water reserves are installed every year on CDF projects to promote harvesting of water.

Success of the policy.

Kisumu Central NGCDF was able to install more than 10 water reserves in various institutions (both secondary and primary schools). Besides, due to continued planting of trees especially in parks, primary and secondary schools, the ground cover has been enhanced reducing the soil erosion. It is also evident that the weather patterns have been enhanced due to the increased number of trees in the constituency. The communities have been aroused on the need to conserve environment based on the benefits witnessed over time.

Short comings

One of the shortcomings of the environmental policy in Kisumu central is sustainability of the projects. Majority of the trees planted in parks are left to the County Government and thus follow ups are supposed to be done by the local authorities which leaves the trees planted prone to drying. Schools administration have perceptions that the planted trees are for the CDF and therefore, they don't engage to the extent required in ensuring that planted trees are maintained thus many trees end up drying with the ones which survives getting retarded growth. Finally, getting approvals for environmental projects is a challenge being that environmental project is under CDF while the point of implementation is at the devolved units therefore causing delays.

3. Employee welfare

We invest in providing the best working environment for our employees. Kisumu Central 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. Kisumu Central constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues. Kisumu Central constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

Kisumu Central 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-Kisumu Central 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-Kisumu Central 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 charge of the NGCDF- Kisumu Central 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.

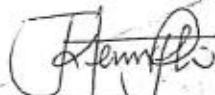
The Accounting Officer in charge of the NGCDF Kisumu Central Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were 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- Kisumu Central Constituency financial statements were approved and signed by the Accounting Officer on 26/8 2021.



Chairman NGCDF Committee
Name:



Fund Account Manager
Name: Henry Opilo

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KISUMU CENTRAL 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

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kisumu Central Constituency set out on pages 16 to 49, which comprise of 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

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

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

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kisumu Central Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.223,225,621 and Kshs.176,566,686 respectively, resulting to shortfall of Kshs.46,658,934 or 21% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.223,225,621 and Kshs.149,939,514 respectively, resulting in an under-expenditure of Kshs.73,286,107 or 33% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Kisumu Central Constituency during the year under review.

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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective

processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 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

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23/7/22

**REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND - KISUMU CENTRAL 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

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kisumu Central Constituency set out on pages 16 to 49, which comprise of 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

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

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

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kisumu Central Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.223,225,621 and Kshs.176,566,686 respectively, resulting to shortfall of Kshs.46,658,934 or 21% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.223,225,621 and Kshs.149,939,514 respectively, resulting in an under-expenditure of Kshs.73,286,107 or 33% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Kisumu Central Constituency during the year under review.

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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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.

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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
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- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
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CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

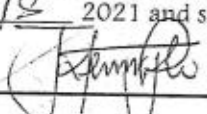
23 September, 2022

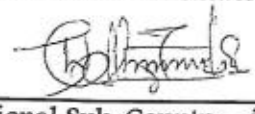
*Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

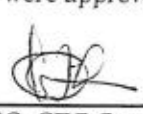
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
		Ksh	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	176,566,686	96,532,554
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		176,566,686	96,532,554
PAYMENTS			
Compensation of employees	4	5,641,879	3,496,020
Use of goods and services	5	5,877,043	9,076,883
Transfers to Other Government Units	6	86,083,570	37,600,054
Other grants and transfers	7	52,337,023	42,569,325
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		149,939,514	92,742,282
SURPLUS/DEFICIT		26,627,172	3,790,272

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kisumu Central Constituency financial statements were approved on 26/8 2021 and signed by:


Fund Account Manager
Name: Henry S.J Opilo


National Sub-County
Accountant
Name: Lee Omaniye
ICPAK M/No: 9066



Chairman NG-CDF Committee
Name: Samson Oketch

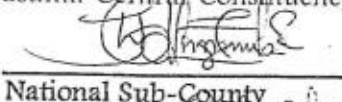
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National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

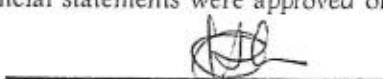
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	34,318,166	7,489,186
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		34,318,166	7,489,186
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		34,318,166	7,489,186
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		34,318,166	7,489,186
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	7,489,187	3,698,914
Prior year adjustments	14	201,807	
Surplus/Deficit for the year		26,627,172	3,790,272
NET FINANCIAL POSITION		34,318,166	7,489,186

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kisumu Central Constituency financial statements were approved on 26/8/2021 and signed by:


Fund Account Manager
Name: Henry S.J. Opilo


National Sub-County
Accountant
Name: Lee Omaniye
ICPAK M/No: 9066

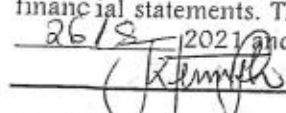

Chairman NG-CDF Committee
Name: Samson Nyawanda

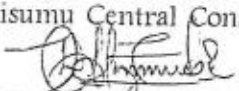
*Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

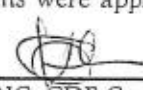
STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	176,566,686	96,532,554
Other Receipts	3	-	-
		176,566,686	96,532,554
Payments for operating activities			
Compensation of Employees	4	5,641,879	3,496,020
Use of goods and services	5	5,877,043	9,076,883
Transfers to Other Government Units	6	86,083,570	37,600,054
Other grants and transfers	7	52,337,023	42,569,325
Other Payments	9	-	-
		149,939,514	92,742,282
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	201,807	-
Net Adjustments		201,807	-
Net cash flow from operating activities		26,828,980	3,790,272
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		26,828,980	3,790,272
Cash and cash equivalent at BEGINNING of the year	10	7,489,187	3,698,914
Cash and cash equivalent at END of the year		34,318,166	7,489,186

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kisumu Central Constituency financial statements were approved on 26/8/2021 and signed by:


Fund Account Manager
Name: Henry S.J. Opilo


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


Chairman NG-CDF Committee
Name: Samson Nyawanda

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

IX. 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	2020/2021	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2020/2021	30/06/2021		
Transfers from NG-CDF Board	137,088,879	7,489,187	78,647,555	223,225,621	176,566,686	46,658,934	79%
Proceeds from Sale of Assets				-	-	-	0%
Other Receipts				-	-	-	0%
TOTAL RECEIPTS	137,088,879	7,489,187	78,647,555	223,225,621	176,566,686	46,658,934	79%
PAYMENTS							
Compensation of Employees	6,327,585	1,636,410	1,159,388	9,123,383	5,641,879	3,481,504	62%
Use of goods and services	6,010,414	1,553,817	85,572	7,649,803	5,877,043	1,772,760	77%
Transfers to Other Government Units	84,216,896	4,000,000	33,300,054	121,516,950	86,083,570	35,433,380	71%
Other grants and transfers	40,533,984	298,960	44,102,540	84,935,485	52,337,023	32,598,462	62%
Acquisition of Assets	-		-	-	-	-	0%
Other Payments	-			-	-	-	0%
TOTAL	137,088,879	7,489,187	78,647,555	223,225,621	149,939,514	73,286,107	67%

Underutilization (below 90% of utilization)

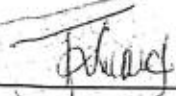
- (a) *Compensation of employees: The employees were remunerated during the year. However, the utilization was 62% as a result of rollover funds from the previous financial year.*
- (b) *Transfer to other government units: Funds were transferred to other government units. However, funds were transferred to other institutions partially as a result of delay of disbursement of funds from the NG-CDF Board thus utilisation of 71%.*
- (c) *Other Grants and transfers: Utilisation was partially achieved up to 62% since bursary funds were not fully disbursed as a result of the Covid-19 pandemic which lead to the schools being closed. Besides, re-allocations request had been placed and were approved after a lot of delays by the NG-CDF Board.*


The changes between the original and final budget


The changes in the original and the final budget resulted due to re-allocations from bursary fund to construction projects. Besides, the same also occurred as a result of previous year's Owings which were received during the financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	73,286,107
Less undisbursed funds receivable from the Board as at 30 th June 2021	39,169,748
	34,116,359
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	201,807
Cash and Cash Equivalents at the end of the FY 2020/2021	34,318,166

The NGCDF-Kisumu Central Constituency financial statements were approved on 26/8 2021 and signed by:


 Fund Account Manager
 Name: Henry S.J. Opilo


 National Sub-County
 Accountant
 Name: Lee Omanje
 ICPAK M/No: 9066


 Chairman NG-CDF Committee
 Name: Samson Nyawanda

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

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments Kshs	Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	6,327,585	2,795,798	9,123,383	5,641,879	3,481,504
1.2 Committee allowances	1,248,000	590,360	1,838,360	1,247,518	590,842
1.3 Use of goods and services	649,748	947,989	1,597,737	669,790	927,947
1.4 Acquisition of assets	-	-	-	-	0
Sub-total	8,225,333	4,334,147	12,559,480	7,559,187	5,000,293
2.0 Monitoring and evaluation					
2.1 Capacity building	934,666	-	934,666	919,985	14,681
2.2 Committee allowances	520,000	200,000	720,000	565,000	155,000
2.3 Use of goods and services	2,658,000	200,000	2,858,000	2,474,750	383,250
Sub-total	4,112,666	400,000	4,512,666	3,959,735	552,931
3.0 Emergency	7,192,207	30,532	7,222,739	7,222,400	339
3.4 Security projects					
Southern Sub-location Assistant Chiefs office	1,173,599		1,173,599	-	1,173,599
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference

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

	2020/2021		2020/2021	30/06/2021	
	Kshs	Kshs	Kshs	Kshs	Kshs
Nyalenda B Assistant Chief's office	773,599	1,500,000	2,273,598	2,273,598	0
Kinyakwar Sub-location Chief's office	773,599		773,599	1,500,000	-726,401
Kondele Police station		1,000,000	1,000,000	1,000,000	0
Nyalenda Police post		1,500,000	1,500,000	1,500,000	0
Sub-total	2,720,797	4,000,000	6,720,796	6,273,598	447,198
4.0 Bursary and Social Security					
4.1 Primary Schools			-	-	0
4.2 Secondary Schools	18,000,000	15,016,703	33,016,703	15,787,125	17,229,578
4.3 Tertiary Institutions	10,000,000	15,600,408	25,600,408	9,248,500	16,351,908
4.4 Universities	-		-		0
4.5 Social Security	-		-	-	0
Sub-total	28,000,000	30,617,111	58,617,111	25,035,625	33,581,486
5.0 Sports					
5.1	2,741,778	26,225	2,768,003	2,705,400	62,603
6.0 Environment					
6.1	2,600,000	4,928,172	7,528,172	2,600,000	4,928,172
7.0 Primary Schools Projects			-		0
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021		2020/2021	30/06/2021	

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

	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Central Primary school	1,041,235		1,041,235	3,541,235	-2,500,000	
Obigaju Primary school	5,627,134		5,627,134	-	5,627,134	
Dunga Primary School	4,558,036	2,000,000	6,558,036	5,500,000	1,058,036	
Manyatta Primary School	2,200,000		2,200,000	-	2,200,000	
Pand pieiri primary school	2,760,889		2,760,889	2,760,889	0	
Ezra Gumbi Primary School	3,000,000		3,000,000	3,000,000	0	
Kudhe Primary School	2,700,000		2,700,000	2,700,000	0	
Ondieck Primary School	1,750,000		1,750,000	-	1,750,000	
Arya Primary School	-	3,500,000	3,500,000	3,500,000	0	
Nanga Primary School	-	2,800,054	2,800,054	-	2,800,054	
Xaverian Primary School			-	5,000,000	-5,000,000	
Joel Omimo Primary School			-	2,700,000	-2,700,000	
Lake Primary School			-	2,500,000	-2,500,000	
M.M Shali Primary School			-	1,700,000	-1,700,000	
Sub-total	23,637,294	8,300,054	31,937,348	32,902,124	-964,776	
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	
	2020/2021		2020/2021	30/06/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs

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

8.0 Secondary Schools Projects						
Kisumu Day High School	2,202,841		2,202,841	-	2,202,841	0
Kisumu Day High School	3,896,229		3,896,229		3,896,229	0
Lions High school	3,091,167		3,091,167		3,091,167	0
Joel Omimo Secondary School	7,916,976		7,916,976		5,000,000	2,916,976
Kosowo Secondary School	25,545,427	20,000,000	45,545,427		23,000,000	22,545,427
St. John Christosom Kudho Secondary School	2,755,996		2,755,996		3,755,996	-1,000,000
Bishop Abiero Shaurimoyo Secondary School	3,472,451	3,000,000	6,472,451		3,000,000	3,472,451
St. Theressas Girls High School	8,977,718	2,000,000	10,977,718		6,488,859	4,488,859
St. Peters Nanga Sec School	-	-	-		2,746,354	-2,746,354
Sub-total	57,858,805	25,000,000	82,858,805		53,181,446	29,677,359
9.0 Tertiary institutions Projects						
10.0 Security Projects						
11.0 Acquisition of assets						
11.1 Motor Vehicles			-		-	0
11.2 Construction of CDF office			-		-	0
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	
	2020/2021		2020/2021	30/06/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs

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

11.3 Purchase of furniture and equipment			-	-	0
11.4 Purchase of computers			-	-	0
	-		-	-	0
12.0 Roads					0
Dunga Bench-Dunga Primary access road		500	500		500
Callbox Centre-White Gate centre access road		2,500,000	2,500,000	2,500,000	0
Gudha estate-Corner Miji centre access road		3,000,000	3,000,000	3,000,000	0
Onbuiya primary-Kona Mbaya centre access road		3,000,000	3,000,000	3,000,000	0
Sub-total	-	8,500,500	8,500,500	8,500,000	500
12.1 Strategic Plan			-		0
12.2 Innovation Hub			-		0
12.3 TIVEP			-		0
TOTAL	137,088,879	86,136,742	223,225,621	149,939,514	73,286,107

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

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 30th 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.

Kisumu Central Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

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.

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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. B 104350	1		9,000,000
AIE NO. B 047933	2		9,000,000
AIE NO. B 047479	3		4,000,000
AIE NO. B 041299	4		20,000,000
AIE NO. B 041390	5		7,500,000
AIE NO. B 047719	6		7,000,000
AIE NO. B 047151	7		2,800,000
AIE NO. B 049326	8		19,000,000
AIE NO. B 047326	9		15,732,554
AIE NO. B 047272	10		2,500,000
AIE NO.B138870	1	15,000,000	
AIE NO.B124566	2	9,000,000	
AIE NO.B132202	3	6,000,000	
AIE NO.B128458	4	8,000,000	
AIE NO.B119503	5	12,000,000	
AIE NO.B104728	6	28,000,000	
AIE NO.A823548	7	10,120,370	
AIE NO.B096886	8	4,298,960	
AIE NO.B140602	9	15,000,000	
AIE NO.B105178	10	8,501,002	
	11	10,000,000	
	12	6,900,000	
	13	22,746,354	
	14	15,000,000	
	15	6,000,000	
TOTAL		176,566,686	96,532,554

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	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,735,211	3,425,100
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,655,028	-
Employer Contributions Compulsory national social security schemes	251,640	70,920
Total	5,641,879	3,496,020

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	2,039,865	5,721,928
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	87,100	-
Printing, advertising and information supplies & services	-	131,100
Rentals of produced assets	-	-
Training expenses	273,652	200,000
Hospitality supplies and services	972,000	-
Other committee expenses	-	1,202,815
Committee allowance	1,970,135	1,557,600
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	-
Fuel, oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	30,000	113,440
Other Operating Expenses	-	-
Security operations	105,000	150,000
Routine maintenance - vehicles and other transport equipment	399,291	0
Routine maintenance- other assets	-	0
TOTAL	5,877,043	9,076,883

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

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)	32,902,124	23,100,054
Transfers to secondary schools (see attached list)	53,181,446	14,500,000
Transfers to tertiary institutions (see attached list)		
TOTAL	86,083,570	37,600,054

7. OTHER GRANTS AND OTHER PAYMENTS

	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary (see attached list)	15,787,125	10,684,293
Bursary -Tertiary (see attached list)	9,248,500	8,794,270
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	6,273,598	-
Roads and bridges	8,500,000	13,201,924
Sports Projects (see attached list)	2,705,400	2,721,129
Environment Projects (see attached list)	2,600,000	-
Emergency Projects (see attached list)	7,222,400	7,167,709
TOTAL	52,337,023	42,569,325

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

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	-	-
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	-	-

9. OTHER PAYMENTS

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

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

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
<i>Cooperative Bank of Kenya</i>	34,318,166	7,489,186
<i>Kisumu Central CDF</i>	-	-
<i>A/C no.01141495135700</i>	-	-
Total	34,318,166	7,489,186
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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	-	-

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

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	7,489,187	3,698,914
Cash in hand	-	-
Imprest	-	-
Total	7,489,187	3,698,914

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>) Reversed cheques and not replaced;	-	201,808	201,808
1. Commissioner of Income Tax		1,400	1,400
2. Commissioner of Income tax		182,201	182,201
3. Commissioner of Income tax		18,200	18,200
TOTAL		201,808	201,808

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	-	-

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

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 receivables D= A+B-C	-	-

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

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 (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	3,481,504	1,975,170
Use of goods and services	1,772,760	428,955
Amounts due to other Government entities (see attached list)	35,433,380	29,000,000
Amounts due to other grants and other transfers (see attached list)	32,598,462	51,232,617
Acquisition of assets	-	3,500,000
Others (<i>specify</i>)	-	-
Funds pending approval	-	-
	73,286,107	86,136,742

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	8,041,552	19,185,183
	8,041,552	19,185,183

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

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					

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

42

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		3,481,504	1,975,170	
Use of goods & services		1,772,760	428,955	
Amounts due to other Government entities				
Secondary School Projects		29,677,359	23,500,000	
Primary School Projects		(964,776)	5,500,000	
Security projects		447,198		
Sub-Total		34,414,045	31,404,125	
Amounts due to other grants and other transfers				
Emergency		339	30,532	
Bursary and Social Security		33,880,446	30,617,111	
Sports		62,604	26,225	
Environment		4,928,172	4,928,172	
Roads		500	15,630,576	
Sub-Total		38,872,060	51,232,616	
Acquisition of assets-NGCDF office construction			3,500,000	
Others (<i>specify</i>)				
Sub-Total			3,500,000	
Funds pending approval				
Grand Total		73,286,107	86,136,742	

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

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	900,000			900,000
Transport equipment	7,730,103			7,730,103
Office equipment, furniture and fittings	2,000,000			2,000,000
ICT equipment, Software and Other ICT Assets	1,409,168			1,409,168
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets				-
Total	12,039,271	-	-	12,039,271

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

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

PMC	Bank	Account number	Bank balance 2020/2021	Bank Balance 2019/2020
Pand pieri Primary	KCB BANK	1 238974953	2,734,718	829
Kibuye mixed primary	ABC BANK	00 4224001000869		235
St Pauls Kanyakwar Primary	ABC BANK	00 4239001000113		41,945
Joel Omino primary	ABC BANK	00 4224001000868	598,099	43
Manyatta Primary	KCB BANK	1 161424598	260,489	115
Shaurimoyo Primary	ABC BANK	00 4224001000870		40
Kaloleni-Muslim primary	ABC BANK	00 4239001000110		1,096
Kondele primary	KCB BANK	11 45795145		996
Mathew Ondiek primary school	ABC BANK	00 4224001000914		98
White boards provision	ABC BANK	00 4224001000943		-18
Kisumu Union primary School	COOP BANK	0 1141739179800		3,962
Central Primary School	ABC BANK	00 4224001000976	1,407,171.5	537,380
Victoria primary school	ABC BANK	00 4224001000974		295
Xaverian primary school	COOP BANK	0 1141870137300		2,150
Kisumu girls	EQUITY BANK	0 29023043077		97,059
St John Chrisostom Kudho sec	KCB BANK	1259628213		3,000,813
St Ignatius Loyola Magadi Sec	ABC BANK	00 4224001000876		423
Ken Obura Sec	ABC BANK	00 4224001000912		18,360
Gretta Adult learning center	ABC BANK	00 4224001000872		1,100
Bishop Abiero Sec	COOP BANK	0 1139295151000		3,329,604
Kisumu day High School	COOP BANK	0 1141662875200		999
St Peters Nanga Sec	KCB BANK	1 112861548	9,087.1	3,667
Lions High school	ABC BANK	00 4224001000975	331,021.50	1,323
NG-CDF Office furniture	ABC BANK	00 4224001000941		1,470
Desiltation of Auji River	ABC BANK	00 4224001000940		-28
Ezra Gumbe Primary school	ABC BANK	00 4224001000977	9,380	22.5
Sports Projects	ABC BANK	00 4224001000934		69
Kibuye winners chapel road	ABC BANK	00 4215001005073		2,724
Lake Victoria MTC	ABC BANK	00 4215001005165		7
St Ignatius Loyola Magadi Sec	NATIONAL BNK	0 1025025602502		110,550
Victoria primary school	ABC BANK	00 4224001000974		295
St. Theresa's Gils Secondary School	EQUITY BANK	0290279441335		2,502,500
Westgate Metrological Road- Kisumu Central CDF	ABCBANK			904
Nanga Kapuoth-Nanga Primary Access road	ABC BANK			292
Florida Obunga police Post Road	ABC BANK			758
Fiveways Junction-Kilo Ringroad Orphanage	ABC BANK			97
Dunga Beach-Dunga Primary	ABC BANK			15

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

Access Road				
Joel Omino-Got Owak Road	ABC BANK			254
St. Vitalis Nanga Primary School	ABC BANK			724,487
M.M Shah Primary School	ABC BANK	004215001005588	477,764	1,599,563
Arya Primary School	ABC BANK	004215001005590	1,163,489.5	2,999,563
Highway Primary School	ABC BANK	004215001005589		1,599,563
Arina Primary School	ABC BANK	004215001005591	838.5	2,599,563
Kondele Police station	ABC BANK	004215001005827	142,750.50	
Kudho Primary School	ABC BANK	004224001000996	2,475	
Obinju Primary Corner Mbaya Access road	ABC BANK		35,525.5	
Callbox centre-white gate access road	ABX BANK	004215001005841	24,121.5	
Nyalenda Police station CDF project	ABC BANK	004215001005826	137,189.5	
Gudka estate-Corner Maji centre access road	ABC BANK	0042150015840	42,989.5	
Nyalenda B assistant chief's office	ABC	0042150010058232	244,597.5	
Joel Omino Sec School	KCB	1282600664	419,845	
Dunga Primary School	KCB			
Kosawo Secondary School	EQUITY			
Total			8,041,552	19,185,183

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

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)
1.1	The statement of assets as at 30 th June 2020 reflects bank balance of Ksh. 7,489,186 being held at Cooperative bank Kisumu branch as at 30 th June 2020. However, the bank reconciliation statement for the account as at that date reflects unrepresented cheques totalling to Ksh. 3,700,700. Included in the unrepresented cheque amount of Ksh. 3,700,700 was Ksh. 220,358 which were state cheques dated as October 2018 which had not been reversed in the cashbook	The state cheques of Ksh. 220,358 relates to income tax which were drawn to KRA. The cheques were presented for payment. However, it has been noticed that KRA has not since presented them. The challenge here in being that at treasury level, the only mandate available is the possibility of withholding VAT and not Income tax. The state cheques have since been reversed.	Resolved in cashbook. Waiting to be cleared by the auditor.	January 2022 upon auditor's verification and certification
1.2	The statement of budget comparison with actual reflected a balance of Kshs. 178,879,024 for the year ended 30 June 2020. However, the actual receipts of Kshs. 100,231,468 was presented	The amount of Kshs. 3,698,914 included in the Ksh. 100,231,468 relates to the opening balance at the beginning of the financial year, thus (3,698,914 +	Resolved by management. Waiting to be cleared by the auditor	

Kisumu Central Constituency
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)
	which was at variance with the receipts as per the statement of receipts and payments of Kshs. 96,532,554 by Kshs. 3,698,914 which the management has not explained.	96,352,554= 100,231,468). Besides, the same has been adjusted in the financial statements under appropriation account to reflect the actual amount received.		
2.1	The transfer to other Government units balance of Ksh.37, 600,054 at note 6 to the financial statement includes Kshs. 23,100,054 to primary schools. A review of the financial records indicates that Arya Primary school was allocated Kshs. 6,500,000 for the renovation of six classrooms. It was further noted that during the year under review, Kshs. 3,000,000 was paid to the Project Management Committee (PMC) account which implemented the project. However, physical verification of the project in the month of February revealed defects on the ongoing works as was evidenced by floor tiles,	The project at Arya Primary School was handed over in the Month of January 2021 of which the contractor commenced to work over the weekends while children were in school. However, this was noticed not to be appropriate as the contractor was not getting ample time to implement the project. Besides, the project manager noticed that lack of enough time was resulting to poor workmanship as works were done only over the weekend and in a hurry. As a result, a site instruction was issued	Resolved by management-project had since been implemented fully and as required. The same had been reported to the OAG for certification and clearance	January 2022- awaiting OAG response and affirmation of implementation status

Kisumu Central Constituency
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)
	broken glass window pains and defects on replaced ceiling boards indicating poor workmanship. Consequently, the propriety and value for money of Ksh. 3,000,000 expenditures for the year ended June 2020 could not be confirmed.	stopping the works that had commenced till closure of school for smooth implementation and also advising that the same activity be re-done a fresh as per the bills of quantities. The funds that were transferred to the PMC account had not been spent/ paid to the contractor. A copy of bank statement of the PMC account, and site instructions were attached to confirm the same.		

