

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**DATE:** 15 MAR 2023

**DAY.**

**TABLED  
BY:**

Hon. Samuel Chepkong'o, MP  
on behalf of Majority leader

**CLERK-AT  
THE-TABLE:**

Christine Njindu

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
TURKANA SOUTH CONSTITUENCY**

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







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**TURKANA SOUTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

### **(a) Background information**

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

### **Mandate**

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

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

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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





#### **Core Values**

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

#### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

The Turkana South 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 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Kwena Stephen
2.	Sub-County Accountant	Obadia Korir
3.	Chairman NGCDFC	Peter Emeri Lodio
4.	Member NGCDFC	Rosbella eyanae

#### **(d) Fiduciary Oversight Arrangements**

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

P.O. Box 267-30500  
Next to DCC OFFICE  
Lokichar  
KENYA





**(f) Turkana South Constituency NGCDF Contacts**

Telephone: (254) 0723978417  
E-mail: [ngcdfturkanasouth@ngcdf.go.ke](mailto:ngcdfturkanasouth@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) Turkana South Constituency NGCDF Bankers**

Kenya Commercial Bank (specify the constituency account banker details)  
Lodwar Branch  
P.o Box 135-30500  
LODWAR

**(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

Include among others the following:



Turkana South Constituency had a final budget for year ended 30 June 2021 amounting to Kshs.225,332,786 comprising of approved budget for the F/Y 2020/21 amounting to Kshs 137,088,879, Kshs 18,000,000 for 2017/2018, 238,000 AIA and kshs 69,367,724.10 for F/Y 2019/2020 as per close of the Financial year the committee had received Kshs 179,605,724.10 of which Kshs 139, 040,304 had been disbursed representing aprox 78% of the receipts , Which the Management used to construct 28 classrooms and equipping with 1550 desks for primary schools 2 dining halls are ongoing 19 pit latrines in primary schools done

The actual budget of the year was 80% for the funds that were received, however the overall performance was 61% was utilized .Other government transfer 73% 25% of the funds receive, was spend on on other grants delayed procurements due to covid 19 slowed down a lot process as shown below in the table

Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>				
Transfers from NG-CDF Board	225,094,786	180,005,907	45,088,879	80.0%
Proceeds from Sale of Assets	-	-	-	0.0%
Other Receipts	238,000	238,000	-	100.0%
<b>TOTAL RECEIPTS</b>	<b>225,332,786</b>	<b>180,243,907</b>	<b>45,088,879</b>	<b>80.0%</b>
<b>PAYMENTS</b>				
Compensation of Employees	6,710,755	4,167,272	1,756,129	70.4%





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

Use of goods and services	8,644,297	6,951,576	2,380,073	74.5%
Transfers to Other Government Units	154,904,000	113,916,800	41,587,200	73.3%
Other grants and transfers	53,635,734	13,312,911	39,822,825	25.1%
Acquisition of Assets	1,200,000	691,745	508,255	57.6%
Unapproved projects	238,000		238,000	
Other Payments	-	-	-	
<b>TOTAL</b>	<b>225,332,786</b>	<b>139,040,304</b>	<b>86,292,482</b>	<b>61.7%</b>








Major challenges

1. Capacity of the pmc is wanting
2. Covid 19 has slowed down a lot of activities like sports and limited M/E
3. Limited availability of water makes some of the construction not to have proper cure hence a lot of cracks
4. Rising costs of the construction material is making people compromise on quality

Signature



CHAIRMAN NGCDF COMMITTEE



### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

#### Introduction

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

The key development objectives of *Turkana South Constituency 2018-2022* plan are to:

- a) Enable easy access to Water, food security enhancing initiatives, population health services to improve livelihood and healthy of Community;
- b) Advance education access, training and skills improvement for all Turkana children and youths respectively in the constituency
- c) Help the constituents reduce extremely poverty by enhancing constituents' existing productive systems (livestock, fishing, and irrigated farming) to strengthening food security and livelihood income.
- d) Facilitate opportunities that provide business prospects to the locals; markets to locally produced products and capacities to trade with the rest of Kenyans
- e) Reduce and manage risk of disasters and improve resilience to impacts of droughts through adequate preparedness.
- f) Mainstream gender equality and promote women empowerment
- g)

#### Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary's</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of classrooms in primary school increased from 84 to 112</li> <li>✓ With 1550 Desks</li> <li>✓ Number of</li> <li>✓</li> </ul>



*Turkana South Constituency  
National Government Constituencies Development Fund (NGCDF)  
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			beneficiaries at all levels	<ul style="list-style-type: none"> <li>✓ laboratories</li> <li>✓ remained at 4 in secondary schools</li> <li>✓ No dormitory was constructed during the year</li> <li>✓ No administration block was constructed during the year</li> <li>✓ Bursary to secondary schools Tertiary and Universities were highly competitive due increased enrolments</li> </ul>
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	One chiefs office was constructed during the year 4 Door Pit latrine was constructed at GSU camp
Environment	Improve sanitation in the schools and the general public	Open defecation in schools is reduced to help reduce cholera outbreak	No of Toilets constructed	Improve sanitation in the schools and the general public 19, 4 door pit latrines were constructed
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through Sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme ,was not undertaken due to covid 19
Emergency	Respond to urgent issues in the constituency			<b>1 emergencies were experienced in the constituency and was addressed</b>





#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

XXX 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 Turkana South NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Turkana South 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 constructing of pit Latrines to eliminated open defecation and bringing dignity to the children and their teachers
- 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**

- *Due to the pandemic Covid 19 all activities or most the activities were halted*
- *One police station has been constructed .*
- *Due to COVID 19 no Sports activities took place*
- *NG-CDF staff Have planted trees as models for the schools*

##### **3. Employee welfare**

We invest in providing the best working environment for our employees. Turkana South 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. Turkana south constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

#### **4. Market place practices-**

Turkana South 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-**

Turkana South 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**



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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.

Turkana South 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.

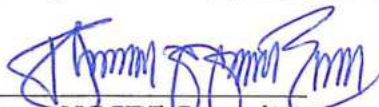
The Accounting Officer in charge of the NGCDF-Turkana South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-Turkana South 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- Turkana South 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 Turkana South 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- Turkana South Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2021.



**Chairman NGCDF Committee**  
**Name: Peter Emeri Lodio**



**Fund Account Manager**  
**Name: Kwena Stephen**





# REPUBLIC OF KENYA

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NAIROBI

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

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

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



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

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Prior year Adjustments**

The statement of assets and liabilities as at 30 June, 2021 and the statement of cash flows reflects prior year adjustments amount of Kshs.1,247,885 as disclosed in Note 14 to the financial statements. However, ledgers or explanation to support the adjustments were not provided for audit.

In the circumstances, the accuracy of the statements of assets and liabilities and cash flows respectively, could not be confirmed.

#### **2. Un-Accounted Project Management Committee (PMC Account Balances)**

Note 17.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.24,278,008 in respect of thirty-four (34) bank accounts held at a commercial bank in respect of unutilized disbursements to various projects. However, bank reconciliation statements and certificates of bank balance for the thirty-four (34) bank accounts were not provided for audit review.

In the circumstances, the existence and completeness of the project management committee bank balance amount of Kshs.24,278,008 could not be confirmed.

#### **3. Unsupported Expenditure**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects expenditure amounting to Kshs.6,951,576 in respect of use of goods and services. However, review of schedules provided for audit revealed payments on committee allowance of Kshs.1,192,070 and other committee expenses Kshs.2,715,650 whose payment vouchers were not provided for audit. Further, fuel, oil and lubricants expenditure of Kshs 500,000 was also not supported with motor vehicle work tickets, detail orders, and supplier statements.



In the circumstances, the validity, accuracy and completeness of use of goods and services amount of Kshs.4,407,720 for the year ended 30 June, 2021 could not be confirmed.

#### **4. Anomalies in Award of Bursaries**

As disclosed under note 7 to the financial statement, the statement of receipts and payments reflects other grants and transfers amount as Kshs.13,312,911. Included in the amount is bursary expenditure of Kshs.1,726,948 and Kshs.1,578,223 all totalling to Kshs.3,305,171 transferred to secondary schools and tertiary institutions to support needy and deserving students. However, there was no evidence to show that the sub-committee formed included two (2) co-opted members, one who must be education officer or an officer seconded from the Ministry of Education. In addition, there were no acknowledgements from the secondary schools and tertiary institutions indicating that they received the funds

In the circumstances, the accuracy and completeness of bursary payments amounting to Kshs.3,305,171 could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.225,332,786 and Kshs.180,243,907 respectively resulting into an under-funding of Kshs.45,088,879 or 20% of the budget. Similarly, the Fund spent Kshs.139,040,304 against an approved budget of Kshs.225,332,786 resulting into an under-expenditure of Kshs.86,292,482 or 38% of the budget.

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## Conclusion

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

## Basis for Conclusion

### 1. Non-Compliance with the Public Sector Accounting Standards Board Templates

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

- i. The statement of management responsibility, statement of receipts and payments, statement of assets and liabilities and statement of cash flows have been signed by the sub-county accountant but the ICPAK registration number is not included.
- ii. The Percentage (%) utilization in respect to compensation to employees and use of goods in the NG-CDFC Chairman's Report on pages 5 and 6 of the financial statement and the summary statement of appropriation are wrongly disclosed as 62% and 80% instead of 70.4% and 74.5% respectively.

Consequently, the financial statements for the year ended 30 June, 2021 do not comply with the Public Sector Accounting Standards Board Reporting Templates.

### 2. Transfers to Other Government Entities

#### 2.1 Construction of Person with Disability Showers and Toilets

The statement of receipts and payments reflects transfers to other government entities amount of Kshs.113,916,800 and as disclosed in Note 6 to the financial statements which includes transfers to secondary schools amount of Kshs.24,080,000. However, review of the expenditure records revealed that Kshs.2,980,000 was disbursed for construction of twelve (12) persons with disability showers to completion. However, physical inspection of the project in April, 2022 revealed that the school constructed one (1) door pit latrine and three (3) toilets which were not for students with disability and four (4) normal shower rooms without showers fitted.

These did not meet the standards of toilets and showers for people with disability and therefore, the project management committee failed to meet the needs of those students with disability.

In the circumstances, value for money and propriety on the projects could not be confirmed.



## **2.2 Re-allocation of Funds**

The statement of receipts and payments for the year ended 30 June, 2021 reflects transfers to other government entities amount of Kshs.113,916,800 which includes transfers to secondary schools amount of Kshs.24,080,000. Review of the expenditure records revealed that Kshs.2,000,000 was disbursed to Kalapata secondary school for drilling of a borehole. However, physical inspection in April, 2022, revealed that the funds were utilized in installation of water pipes from an already drilled borehole by the County Executive of Turkana to the school compound. No evidence was provided for audit to support approval by the Board for such reallocation of funds as required by the NGCDF Act, 2015.

## **2.3 Expenditure Returns-Transfer to Primary Schools**

The statement of receipts and payments for the year ended 30 June, 2021 reflects transfer to other government entities amount of Kshs.113,916,800 which includes transfer to primary schools' amount of Kshs.65,844,000 as disclosed in Note 6 to the financial statements. Review of a sample of project management committee files provided during audit, revealed a total amount of Kshs.11,000,000 was used for various projects.

However, the expenditure returns and reports were not sufficiently supported to show how the project management committees utilized the funds for intended purpose contrary to Section 15 National Government Constituencies Development Fund Regulations, 2016. Further, there was no documentary evidence of work plans for the projects and handover reports from the project management committees to the Constituency Committee, cashbooks and bank reconciliations. Also, the payments made for the works done did not contain evidence of certificate of works done as certified by a technical person.

In the circumstances, Management was in breach of law.

## **2.4 Un-Utilized Funds for a College**

The statement of receipts and payments for the year ended 30 June, 2021, reflects transfers to other government entities amount of Kshs.113,916,800 which includes transfer to tertiary institutions amount of Kshs.23,992,800 as disclosed in Note 6 to the financial statement. However, review of expenditure documents provided for audit in support of the expenditure revealed an amount of Kshs.20,000,000 being transfer to Aro Teachers Training college for construction of single storey tuition block, drilling of bore hole and ablution block. The project was for the year 2017/2018 and was cleared for implementation on 30 November, 2020 while the AIE was issued on 8 March, 2021. However, as per the PMC Bank statement as at the time of audit on 20 April, 2022 the funds had not been utilized and was still in the PMC account. There were also two (2) withdrawals totalling to Kshs.296,000 for payment of sitting allowances of Project Management Committee meetings. However, the minutes for the above meetings were not provided for audit .

In the circumstances, value for money that would accrue from unutilized fund balance totalling to Kshs.86,292,482 as at 30 June, 2021 could not be confirmed.

### 3. Unsupported Expenditure Returns-Security and Emergency Projects

The statement of receipts and payments for the year ended 30 June, 2021 reflects other grants and transfers amount of Kshs.13,312,911 which comprises of security projects amount of Kshs.3,510,000 and Emergency projects amount of Kshs.2,000,000 as disclosed in Note 7 to the financial statement. Review of documents provided during audit, revealed total amount of Kshs.3,980,000 was used for various projects.

However, the expenditure returns and reports were not sufficiently supported to show how the project management committees utilized the funds for intended purpose contrary to regulation 15 of National Government Constituencies Development Fund Regulations, 2016. Further, there was no documentary evidence of work plans for the projects and handover reports from the project management committees to the Constituency Committee. Also the payments made for the works done did not have documentary evidence of certificate of works done as certified by a technical person.

In the circumstance, Management was in breach of law.

### 4. Project Verification Report

During the year under review, eight-teen (18) projects amounting to Kshs.63,000,000 were verified on the 12 April, 2022 and the observations are detailed in **Appendix I**.

### 5. Un resolved Prior Year Issues

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/2 Vol.3(72) dated 30 June, 2021.

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 else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

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

## **Responsibilities of Management and those Charged with Governance**

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

## **Auditor-General's Responsibilities for the Audit**

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report.



However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

23 September, 2022



## Appendix I: Projects Verification

No.	Project Name	Project Activity	Budget Amount (Kshs.)	Amount Disbursed During the Year (Kshs.)	Observation
1	Kainuk Girls Primary School	Construction of 1 classroom to completion and equipping with 50 Desks	1,500,000	1,500,000	Project complete and labelled
2	Philadephia Primary School	Construction of 1 classroom to completion and equipping with 50 Desks	1,500,000	1,500,000	Project complete and labelled
3	Kainuk Senior Chief Office	Construction of an administration block consisting of 3 offices and 1 meeting room to Completion	2,000,000	2,000,000	Project complete and labelled
4	Rcea Kakong Primary	Construction of 2 classrooms to completion and equipping with 100 Desks	3,000,000	3,000,000	Classrooms complete and labelled and desks delivered
5	Kakoel Primary School	Construction of 2 classrooms to completion and Equipping with 100 Desks	3,000,000	3,000,000	Classrooms complete and labelled and desks delivered
6	Kalemngorok Primary School	Construction of a 100 bed capacity dormitory to completion and equipping with 100 double deck beds	3,000,000	3,000,000	Dormitory complete and double decker beds delivered
7	Ngimeyana Primary	Construction of 2 classrooms to completion and Equipping with 100 Desks	3,000,000	3,000,000	Classrooms complete and labelled and desks delivered
8	Locheremoit Primary	Fencing of 4 Acre compound with chain link an angle lines with metallic gate	2,000,000	2,000,000	Fence and gate erected



No.	Project Name	Project Activity	Budget Amount (Kshs.)	Amount Disbursed During the Year (Kshs.)	Observation
9	Katilu Boys Secondary School	Construction of 12 people with disability showers to completion	3,000,000	2,980,000	1 door pit latrine and three toilets which were not for people with disability and 4 normal shower rooms without showers fitted. Not in use
10	Katilu Girls Secondary School	Completion of the 400 capacity dining hall by roofing, plumbing works, wiring and drainage works	3,000,000	3,000,000	Replacing of collapsed wall, roofing of one section of the dining hall, wiring works and plumbing works done. Not labelled and in use
11	Kalapata Girls	Construction of two classrooms to completion	2,400,000	2,380,000	Flooring, walling, plastering, fixing of doors and windows, wiring, roofing and painting done and is in use. Paint had started to fallout
12	Kalapata Girls	Erection of 9 Acres chain link fence using chain link and angle line	3,500,000	3,480,000	Fence erected. However ownership documents for the land was not availed for audit review
13	Kalapata Girls	Construction of abolition block consisting of 4 pit latrines and 4 showers	500,000	480,000	Flooring, walling, plastering, fixing of doors, roofing and painting done and in use.
14	Kalapata Girls	Drilling of borehole	2,000,000	2,000,000	Funds reallocated and utilised to instal water pipes from an already drilled borehole by the county government to the school compound.
15	Kalapata Girls	Purchase of 100 lockers and chairs	600,000	600,000	Lockers and chairs delivered however not labelled and in use

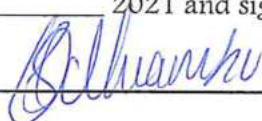
No.	Project Name	Project Activity	Budget Amount (Kshs.)	Amount Disbursed During the Year (Kshs.)	Observation
16	Nagetei Sec School	Completion of a 50 students capacity laboratory by installation of gas pipes and plumbing	1,000,000	1,000,000	Plumbing works done. Installation of gas pipes not done. Not in use
17	Aro Teachers Training College	Construction of single storey tuition block, drilling of bore hole and ablution block.	24,000,000	20,000,000	Project not initiated as per the budget and the funds were still in the PMC Account
18	Aro Teachers Training College	Fencing works	4,000,000	3,992,800	Fence erected, payments complete
	<b>Total</b>		<b>63,000,000</b>	<b>58,912,800</b>	



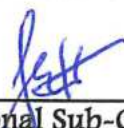
**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	179,367,724	73,963,707
Proceeds from Sale of Assets	2		0.00
Other Receipts	3	<u>238,000</u>	<u>116,000.</u>
<b>TOTAL RECEIPTS</b>		<b>179,605,724</b>	<b>74,079,707.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,167,272	4,087,875.00
Use of goods and services	5	6,951,576	5,817,457.00
Transfers to Other Government Units	6	113,916,800	61,967,494.00
Other grants and transfers	7	13,312,911	37,187,500.00
Acquisition of Assets	8	691,745	0.00
Other Payments	9		<u>0.00</u>
<b>TOTAL PAYMENTS</b>		<b>139,040,304</b>	<b>109,060,326.00</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>40,565,420</u></b>	<b><u>(34,980,619)</u></b>

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



**Fund Account Manager**  
**Name: Kwenia Stephen**



**National Sub-County**  
**Accountant**  
**Name: Obadia Korir**  
**ICPAK M/No:**



**Chairman NG-CDF Committee**  
**Name: Peter Emeri Lodio**

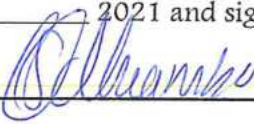





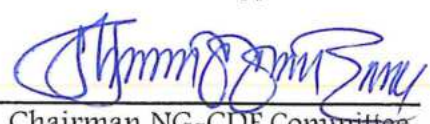
**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 2021**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	42,451,488	638,183
Cash Balances (cash at hand)	10B	0	0
<b>Total Cash and Cash Equivalents</b>		<b>42,451,488</b>	<b>638,183.00</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	0	0
<b>TOTAL FINANCIAL ASSETS</b>		<b>42,451,488</b>	<b>638,183</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	399,280	0
Gratuity	12B	0	0
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>(399,280)</b>	
<b>NET FINANCIAL ASSETS</b>		<b>42,451,488</b>	<b>638,183.00</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>		638,183	35,618,802
Prior year adjustments	14	1,247,885	0
Surplus/Deficit for the year		40,565,420	(34,980,619)
<b>NET FINANCIAL POSITION</b>		<b>42,451,488</b>	<b>638,183</b>

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

  
Fund Account Manager  
Name: Kwena Stephen

  
National Sub-County  
Accountant  
Name: Obadia Korir  
ICPAK M/No:

  
Chairman NG-CDF Committee  
Name: Peter Emeri Lodio

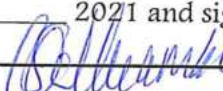



*Turkana South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

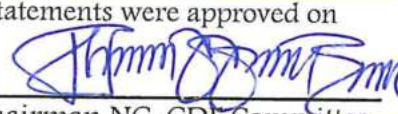
**IX. STATEMENT OF CASHFLOW**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	179,367,724	73,963,707
Other Receipts	3	238,000	116,000
<b>Total receipts</b>		<b>179,605,724</b>	<b>74,079,707</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,167,272	4,089,875
Use of goods and services	5	6,951,576	5,817,457
Transfers to Other Government Units	6	113,916,800	61,967,494
Other grants and transfers	7	13,312,911	37,187,500
Other Payments	9	0	0
<b>Total payments</b>		<b>138,348,559</b>	<b>109,060,326</b>
<b>Total Receipts Less Total Payments</b>			
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	0	0
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	0	0
Prior year adjustments	14	1,247,885	0
<b>Net cash flow from operating activities</b>		<b>42,505,050</b>	<b>(34,980,619)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		0.00
Acquisition of Assets	8	691,745	0.00
<b>Net cash flows from Investing Activities</b>		<b>(691,745)</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>41,813,305</b>	<b>(34,980,619)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>638,183</b>	<b>35,618,802</b>
<b>Cash and cash equivalent at END of the year</b>		<b><u>42,451,487</u></b>	<b><u>638,183</u></b>

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

  
Fund Account Manager  
Name: Kwena Stephen

  
National Sub-County  
Accountant  
Name: Obadia Korir  
ICPAK M/No:

  
Chairman NG-CDF Committee  
Name: Peter Emeri Lodio





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

**X. SUMMARY STATEMENT OF APPROPRIATION**

Receipts/Payments	Original Budget A	Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of utilization f=d/c %
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursement s				
<b>RECEIPTS</b>	<b>2020/2021</b>			<b>2020/2021</b>	<b>30/06/2021</b>		
Transfers from NGCDF Board	Kshs 137,088,879	638,183	Kshs 87,367,724	Kshs 225,094,786	Kshs 180,005,907	Kshs 45,088,879	0.80
Proceeds from Sale of Assets				-	-	-	-
Other Receipts		238,000		238,000	238,000	-	1.00
<b>TOTALS</b>	137,088,879	876,183	87,367,724	225,332,786	180,243,907	45,088,879	0.80
<b>PAYMENTS</b>							
Compensation of Employees	4,610,838	638,183	1,461,734	6,710,755	4,167,272	2,543,483	0.70
Use of goods and services	7,733,401	-	910,896	8,644,297	6,951,576	1,692,721	0.74
Transfers to Other Government Units	77,504,000	-	77,400,000	154,904,000	113,916,800	40,987,200	0.73
Other grants and transfers	46,040,640	-	7,595,094	53,635,734	13,312,911	40,322,823	0.25
Acquisition of Assets	1,200,000	-	-	1,200,000	691,745	508,255	0.58
Other Payments	-	-	-	-	-	-	
Funds pending approval**	-	238,000	-	238,000		238,000	#DIV/0!
<b>TOTALS</b>	137,088,879	876,183	87,367,724	225,332,786	139,040,304	86,292,482	0.62

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





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

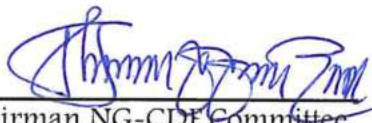
- (a) Kshs 238,000 was received as revenue AIA due to sale of tender documents
- (b) The underutilization is major caused by delayed procurement procedures and disbursements from the board
- (c) Use of Goods is below 90% due to delayed procurement procedures
- (d) Transfer to other Government units due to delayed disbursement from the Board
- (e)

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	86,292,482
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	(45,088,879)
	41,203,603
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	1,247,884
Cash and Cash Equivalents at the end of the FY 2020/2021	<b>42,451,488</b>

The NGCDF-Turkana South Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
 Fund Account Manager  
 Name: Kwenia Stephen

  
 National Sub-County  
 Accountant  
 Name: Obadia Korir  
 ICPAK M/No:

  
 Chairman NG-CDF Committee  
 Name: Peter Emeri Lodio



X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,568,912	638,183	(180,302)	3,026,793	2,899,029	127,764
1.2 Committee allowances	1,040,000		(1,194,000)	(154,000)	1,192,072	(1,346,072)
1.3 Use of goods and services	2,577,255		1,144,831	3,722,086	289,332	3,432,754
1.4 Gratuity	1,592,726			1,592,726	893,083	699,643
1.5 NSSF	259,200		49,309	308,509	272,160	36,349
1.6 NHIF	190,000		1,592,727	1,782,727	103,000	1,679,727
<b>Total</b>	<b>8,228,093</b>	<b>638,183</b>	<b>1,412,565</b>	<b>10,278,840</b>	<b>5,648,676</b>	<b>4,630,164</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building				-	1,303,500	(1,303,500)
2.2 Committee allowances	2,000,000		960,065	2,960,065	2,499,927	460,138
2.3 Use of goods and services	2,116,146			2,116,146	1,666,745	449,401
<b>Total</b>	<b>4,116,146</b>	<b>-</b>	<b>960,065</b>	<b>5,076,211</b>	<b>5,470,172</b>	<b>(393,961)</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	2,000,000			2,000,000	2,000,000	
3.2 Secondary schools						-
3.3 Tertiary institutions						-
3.4 Security projects						-
3.5 Unutilised						-
3.6 Others	5,192,207			5,192,207		5,192,207
<b>Total</b>	<b>7,192,207</b>	<b>-</b>	<b>-</b>	<b>7,192,207</b>	<b>2,000,000</b>	<b>5,192,207</b>
<b>4.0 Bursary and Social Security</b>						



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	
4.1 Secondary Schools	14,000,000		200,000	14,200,000	1,726,948	12,473,052
4.2 Tertiary Institutions	16,205,736			16,205,736	1,578,223	14,627,513
4.3 Social Security	3,000,000			3,000,000		3,000,000
4.4 Special Needs				-	-	-
<b>Total</b>	<b>33,205,736</b>	<b>-</b>	<b>200,000</b>	<b>33,405,736</b>	<b>3,305,171</b>	<b>30,100,565</b>
5.0 Sports						
5.1 Sports			1,747,354	1,747,354	2,000,000	(252,646)
5.2 Sports	2,742,698			2,742,698		2,742,698
<b>Total</b>	<b>2,742,698</b>	<b>-</b>	<b>1,747,354</b>	<b>4,490,052</b>	<b>2,000,000</b>	<b>2,490,052</b>
6.0 Environment						
6.1 KALOKODA PRIMARY			650,000	650,000	650,000	-
6.2 KAKOEL			650,000	650,000	650,000	-
6.3 FAM			47,740	47,740	47,740	-
6.4 NGIMEYANA PRIMARY			650,000	650,000	650,000	-
6.5 Amani PRIMARY SCHOOL			500,000	500,000	500,000	-
<b>Total</b>		<b>-</b>	<b>2,497,740</b>	<b>2,497,740</b>	<b>2,497,740</b>	<b>-</b>
7.0 Primary Schools Projects (List all the Projects)						
7.1 Juluk Primary School	3,000,000			3,000,000	3,000,000	-
7.2 Nakuse Primary School	3,000,000			3,000,000		3,000,000
7.3 Lorogon Primary School	2,000,000			2,000,000	2,000,000	-
7.4 Nakwamoru Primary School	500,000			500,000	500,000	-
7.5 Nawoitorong Primary School	500,000			500,000		500,000
7.6 Lomeremundung Primary School	500,000			500,000		500,000





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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.7 Kainuk Girls Primary School	1,500,000			1,500,000	1,500,000	-
7.8 Philadelphia Primary School	1,500,000			1,500,000		1,500,000
7.9 Elimu hope Primary School	1,500,000			1,500,000		1,500,000
7.10 Arumrum Primary School	1,500,000			1,500,000		1,500,000
7.11 Namakat Primary School	1,500,000			1,500,000	1,500,000	-
7.12 Napeot Primary School	2,604,000			2,604,000	2,604,000	-
7.13 Kawarnapar Primary School	1,500,000			1,500,000		1,500,000
7.14 Nalemskon Primary School	2,000,000			2,000,000	2,000,000	-
7.15 Kasuroi Primary School	2,400,000			2,400,000		2,400,000
7.16 Kalodicha Primary School	1,500,000			1,500,000		1,500,000
7.17 Keedome Primary School	1,500,000			1,500,000		1,500,000
7.18 Natorube Primary School	2,700,000			2,700,000		2,700,000
7.19 Locheremot Primary School	2,000,000			2,000,000	2,000,000	-
7.20 Lotonguna Primary School	2,400,000			2,400,000	2,400,000	-
7.21 Kangakipur Primary School	1,500,000			1,500,000		1,500,000
7.22 Kaatir Primary School	1,500,000			1,500,000	1,500,000	-
7.23 Naakelei Primary School	2,700,000			2,700,000	2,700,000	-
7.24 Kangimanyin Primary School	700,000			700,000	700,000	-
7.25 Lokichar Girls Priemary	400,000			400,000		400,000
7.26 Lokwadat Primary	300,000			300,000		300,000
7.27 Kamarese Primary School	300,000			300,000		300,000
7.28 Napusinyen Primary school	600,000			600,000	600,000	-
7.29 Lomeleku primary school			1,500,000	1,500,000	1,480,000	20,000
7.30 Kaesamalit primary school			3,500,000	3,500,000	3,500,000	-
7.32 Kalochan primary school			500,000	500,000	480,000	20,000



Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.33 Nalemkais primary school			2,000,000	2,000,000	2,000,000	-
7.34 Rcea Kakong primary school			3,000,000	3,000,000	3,000,000	-
7.35 Philadelphia primary school			500,000	500,000	500,000	-
7.36 Loyapat primary school			500,000	500,000	500,000	-
7.37 Kakoel primary school			3,000,000	3,000,000	3,000,000	-
7.38 Lokwar primary school			600,000	600,000	600,000	-
7.39 Nachoke primary school			1,500,000	1,500,000	1,500,000	-
7.40 Namantalem primary school			2,000,000	2,000,000	2,000,000	-
7.41 ngimeyana primary school			3,000,000	3,000,000	3,000,000	-
7.42 Kangisaja primary school			2,000,000	2,000,000	2,000,000	-
7.43 Lomerimundang primary school			2,100,000	2,100,000	2,100,000	-
7.44 Nakimak primary school			1,500,000	1,500,000	1,500,000	-
7.45 Kapelo primary school			1,500,000	1,500,000	1,500,000	-
7.46 Keekamuto primary school			1,500,000	1,500,000	1,500,000	-
7.47 Nawapeto primary school			1,500,000	1,500,000	1,500,000	-
7.48 Kangakimak primary school			1,500,000	1,500,000	1,500,000	-
7.49 Lomonyang primary school			1,500,000	1,500,000	1,500,000	-
7.50 Kalemngorok primary school			3,000,000	3,000,000	3,000,000	-
7.51 Kaemegur primary school			600,000	600,000	600,000	-
7.52 Kakong primary school			600,000	600,000	600,000	-
7.53 Ekoropus Primary School	500,000			500,000	500,000	-
7.54 Kapese Primary School	500,000			500,000	500,000	-
7.55 Lochwakan Primary School	500,000			500,000	500,000	-
7.56Kapelbpk Primary School	500,000			500,000	500,000	-





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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.57 Alnoor Primary School	500,000			500,000	480,000	20,000
7.58 Ngabaakan Primary School			500,000	500,000	500,000	-
7.59 Angarabat Primary School			500,000	500,000	500,000	-
7.60 Lorogon Primary School			500,000	500,000	500,000	-
<b>Total</b>	<b>46,104,000</b>	<b>-</b>	<b>40,400,000</b>	<b>86,504,000</b>	<b>65,844,000</b>	<b>20,660,000</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.1 Kalapata Secondary School	3,000,000			3,000,000		3,000,000
8.2 Lochwa boys Secondary School	4,200,000			4,200,000		4,200,000
8.3 Kapelbok Secondary School	6,200,000			6,200,000	6,200,000	-
8.4 Kakalel Boys Secondary school	3,000,000			3,000,000		3,000,000
8.5 Kainuk Mixed Secondary School	3,000,000			3,000,000		3,000,000
8.6 Katilu Boys SECONDARY School	3,000,000			3,000,000	3,000,000	
8.7 Katilu girls Secondary School	3,000,000			3,000,000	3,000,000	
8.8 Kalemngorok Day Mixed Secondary School	3,000,000			3,000,000		3,000,000
8.9 Lokapel Mixed Secondary School	1,000,000			1,000,000	1,000,000	-
8.10 Kaputir Mixed Secondary School	1,000,000			1,000,000	1,000,000	-
8.12 Nagetei Girls Secondary School	1,000,000			1,000,000	1,000,000	-



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.13 Kalapata Girls Secondary School			9,000,000	9,000,000	9,000,000	
<b>Total</b>	<b>31,400,000</b>		<b>9,000,000</b>	<b>40,400,000</b>	<b>24,200,000</b>	<b>16,200,000</b>
9.0 Tertiary institutions Projects (List all the Projects)						
Aro Teachers Training College			28,000,000	28,000,000	23,992,800	4,007,200
<b>Total</b>	<b>-</b>	<b>-</b>	<b>28,000,000</b>	<b>28,000,000</b>	<b>23,992,800</b>	<b>4,007,200</b>
10.0 Security Projects						
10.1 Kainuk Senior Chiefs Office			2,000,000	2,000,000	1,980,000	20,000
10.2 Nariamau GSU Camp	2,500,000		500,000	3,000,000	480,000	2,520,000
10.3 Turkana relief store			650,000	650,000	650,000	-
10.4 Turkana South Sub county	400,000			400,000	400,000	-
<b>Total</b>	<b>2,900,000</b>	<b>-</b>	<b>3,150,000</b>	<b>6,050,000</b>	<b>3,510,000</b>	<b>2,540,000</b>
11.0 Acquisition of assets						
Turkana South NGCDF Office	1,200,000			1,200,000	691,745	508,255
<b>Total</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>1,200,000</b>	<b>691,745</b>	<b>508,255</b>
13.0 unallocated fund						
Unapproved projects						
AIA		238,000		- 238,000		- 238,000
PMC savings				-		
<b>Total</b>	<b>-</b>	<b>238,000</b>		<b>238,000</b>		<b>238,000</b>
<b>Total</b>	<b>137,088,879</b>	<b>876,183</b>	<b>87,367,724</b>	<b>225,332,786</b>	<b>139,040,304</b>	<b>86,172,482</b>



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(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)





## **XI. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

### **1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

### **2. Reporting Entity**

The financial statements are for the NGCDF-Turkana South 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 8th June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> 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 30<sup>th</sup> June 2021.

#### **14. Errors**

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

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

#### **15. Related Party Transactions**

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





**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B 839521	1	15,000,000	
AIE NO B825913	2	20,000,000	
AIE NO B104685	3	23,767,724	
AIE NO A823737	4	9,000,000	
AIE NO B124682	5	18,000,000	
AIE NO B124814	6	10,600,000	
AIE NO B124877	7	8,500,000	
AIE NO B119671	8	6,900,000	
AIE NO B128303	9	12,000,000	
AIE NO B119710	10	6,000,000	
AIE NO B132063	11	6,000,000	
AIE NO B132357	12	13,000,000	
AIE NO B126826	12	12,000,000	
AIE NO B140757	14	7,000,000	
AIE NO. B	1		1,900,000
AIE NO. B 041233	2		4,000,000
AIE NO. B 047666	3		20,000,000
AIE NO. B 049195	4		7,000,000
AIE NO. B 104171	5		14,000,000
AIE NO. B 096508	6		23,000,000
AIE NO. B 096813	7		4,063,707
<b>TOTAL</b>		<b>179,367,724</b>	<b>73,963,707</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	238,000	116,000
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere		
<b>Total</b>	<b>238,000</b>	<b>116,000</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,002,029	3,980,955
<b>Personal allowances paid as part of salary</b>		
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	893,083	0
Employer Contributions Compulsory national social security schemes	272,160	106,920
<b>Total</b>	<b>4,167,272</b>	<b>4,087,875</b>



*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services		673,950
Electricity	45,000	0
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	1,303,500	0
Hospitality supplies and services	0	0
Other committee expenses	2,715,650	1,080,400
Committee allowance	1,192,070	2,475,000
Insurance costs	199,663	200,070
Specialized materials and services	0	0
Office and general supplies and services	0	0
Other operating expenses	0	0
Fuel , oil & lubricants	500,000	827,700
Bank service commission and charges	20,693	93,814
Routine maintenance – vehicles and other transport equipment	975,000	466,523
Routine maintenance – other assets		0
<b>Total</b>	<b>6,951,576</b>	<b>5,817,457</b>





*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)	65,844,000	15,147,494
Transfers to secondary schools (see attached list)	24,080,000	46,820,000
Transfers to tertiary institutions (see attached list)	23,992,800	0
<b>TOTAL</b>	<b>113,916,800</b>	<b>61,967,494</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	1,726,948	11,800,000
Bursary – tertiary institutions (see attached list)	1,578,223	18,000,000
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Social Security programmes (NHIF)	0	0
Security projects (see attached list)	3,510,000	580,000
Sports projects (see attached list)	2,000,000	1,007,000
Environment projects (see attached list)	2,497,740	1,250,000
Emergency projects (see attached list)	2,000,000	4,550,500
<b>Total</b>	<b>13,312,911</b>	<b>37,187,500</b>



*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	311,855	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	379,890	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
	0	0
<b>Total</b>	<b>691,745</b>	<b>0</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan		0
ICT Hub		0
	<b>0</b>	<b>0</b>



*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>Kenya Commercial Bank Account No. 1146654162</i>	42,451,488.	638,183
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
<b>Total</b>	<b>42,451,488</b>	<b>638,183</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
		0
<b>Total</b>	<b>0</b>	<b>0</b>





*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>dd/mm/yy</i>	0	0	0
<i>Name of Officer</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer</i>	<i>dd/mm/yy</i>	0	0	0
<i>Total</i>		0	0	0

**12A. RETENTION**

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	0	0
Retention held during the year (B)	399,280	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	<b>399,280</b>	<b>0</b>

*[Provide short appropriate explanations as necessary.]*

**12B. GRATUITY**

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	0	0
Gratuity held during the year (B)	893,083	0
Gratuity paid during the Year (C)	893,083	0
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	<b>0</b>	<b>0</b>



**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	638,182	35,618,802
Cash in hand		
Imprest		
<b>Total</b>	638,182	35,618,802

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	1,247,885	1,247,885
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others ( <i>specify</i> )	0	0	0
<b>TOTAL</b>		1,247,885	1,247,885

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST\***

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0



**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2020 – 2019	2018 ~ 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0





*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	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
	0	0

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	2,543,483	1,569,013
Use of goods and services	1,692,721	2,021,798
Amounts due to other Government entities (see attached list)	40,987,200	58,400,000.
Amounts due to other grants and other transfers (see attached list)	40,322,823	7,979,095
Acquisition of assets	508,255	-
Others ( <i>specify</i> )	0	0
Funds pending approval	238,000	116,000
	<b>86,292,482</b>	<b>70,085,907</b>



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**17.4: PMC account balances (See Annex 5)**

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	24,278,008	13,678,522
	24,278,008	13,678,522



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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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





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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

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



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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
<b>Compensation of employees</b>				
<b>Use of goods &amp; services</b>		2,543,483		
<b>Amounts due to other grants and other transfers</b>		1,692,721		
Security			<b>3,590,811</b>	
Emergency	Construction of social hall at the camp	2,540,000		Funds still with the board
Sports	Meet emergency needs	5,192,207		Funds still with the board
	Contact sports activities in the constituency	2,490,052		Funds still with the board
Bursary Secondary	Pay School fees for needy students	12,473,052		Funds still with the board
Bursary Tertiary	Pay School fees for needy students	14,627,513		Funds still with the board
Social Security	Pay for social security(NHIF)	3,000,000		Funds still with the board
<b>Amounts due to other Government entities</b>	<b>Sub-Total</b>	<b>40,322,823</b>	<b>7,979,095</b>	
Nakuse Primary School	Construction of 2 classrooms with 100 desks	3,000,000		Funds still with the board
Nawoitong Primary School	Construction of 4 door pit latrine	500,000		Funds still with the board
Lomeremundung Primary School	Construction of 4 door pit latrine	500,000		Funds still with the board
Philadephia Primary School	Construction of 1 classrooms with 50 desks	1,500,000		Funds still with the board
Elimu hope Primary School	Construction of 1 classrooms with 50 desks	1,500,000		Funds still with the board
Arumrum Primary School	Construction of 1 classrooms with 50 desks	1,500,000		Funds still with the board
Kawarnapar Primary School	Construction of 1 classrooms with 50 desks	1,500,000		Funds still with the board



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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Kasuroi Primary School	desks Construction of 2 classrooms	2,400,000		Funds still with the board
Kalodicha Primary School	Construction of 1 classrooms with 50 desks	1,500,000		Funds still with the board
Keedome Primary School	Construction of 1 classrooms with 50 desks	1,500,000		Funds still with the board
Natorube Primary School	Construction of 1 classrooms with 50 desks	2,700,000		Funds still with the board
Kangakipur Primary School	Construction of 1 classrooms with 50 desks	1,500,000		Funds still with the board
Lokichar Girls Priemary	Supply Of 66 desks	400,000		Funds still with the board
Lokwadat Primary	Supply Of 50 desks	300,000		Funds still with the board
Kamarese Primary School	Supply Of 50 desks	300,000		Funds still with the board
Kalapata Secondary School	Supply Of 50 desks	3,000,000		Funds still with the board
Lochwa boys Secondary School	Construction of a dormitory and supply of beds	4,200,000		Funds still with the board
Kakalel Boys Secondary school	Construction of 2 classrooms	3,000,000		Funds still with the board
Kainuk Mixed Secondary School	Construction of 2 classrooms	3,000,000		Funds still with the board
Kalemngorok Day Mixed Secondary School	Construction of 2 classrooms	3,000,000		Funds still with the board
ARO TTC		4,007,200		
<b>Acquisition of assets</b>	<b>Sub-Total</b>	<b>40,987,200</b>	<b>58,400,000</b>	
<b>Turkana South NGCDF Office</b>	Refurbish the office	508,255		Funds still with the board
<b>Others (specify)</b>				





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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	Sub-Total			
Funds pending approval		238,000		
		86,292,482	70,085,907	
	Grand Total			



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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				
Buildings and structures	16,000,000	213,705.00		16,213,705
Transport equipment	15,303,000	0		15,303,000
Office equipment, furniture and fittings	1,998,850			1,998,850
ICT Equipment, Software and Other ICT Assets	675,500	367,890.00		1,043,390
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>33,977,350</b>	<b>581,595.00</b>		<b>34,558,945</b>



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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Kangikimak Primary NG CDF	KCB	1280089911	1,440.00	0.00
Nakimak Primary School ngcdf A/c	KCB	1280731540	25,140.00	0.00
Kaekamuto Primary School CDF A/c	KCB	1279510854	34,200.00	0.00
Katilu Girls Secondary CDF	KCB	1275819664	404,500.00	0.00
Kalapata Girls Secondary	KCB	1275908063	2,048.00	0.00
Kootoro primary School cdf	KCB	1181617944	3,863.00	480,054.00
Nagetei Secondary School	KCB	1182268994	3,267.50	5,379,938.50
Ngimeyana Primary School NGCDF A/C	KCB	1275346863	76,615.00	0.00
Nariamao RDU camp NGCDF Pmc	KCB	1273003918	569.00	1,760.00
ARO Teachers Training College	KCB	1278265341	19,704,000	0.00
<b>Total</b>			<b>24,278,008.00</b>	<b>13,678,521.50</b>



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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0	The statement of receipts and payments reflects other grants and transfers amount of Kshs.38,721,207 which includes bursaries to secondary schools' figure of Kshs 12,300,000, tertiary institutions figure of Kshs 17,500,000 totaling to Kshs.29,800,000 as disclosed in note 7 to the financial statements. However, no evidence of acknowledgement in form of receipts and acknowledgement letters from the various institutions that received the bursary funds was availed for audit verification	Have asked schools to receipt all the payments make to them	Resolved, to certain level for receipts and acknowledgedgements were presented	
3.0	The statement of receipts and payments reflects other Grants and transfers of Kshs.38,721,207 for the year ended 30 June 2020. Included in this figure is an amount totaling to Kshs.2,060,707 in respect to sports projects as disclosed in note 7 to the financial statements. However, examination of the ledgers and supporting schedules availed for audit indicated a payment of Kshs.1,053,707 to	Resolved for records for were availed for beneficiaries	Resolved	





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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	a Contractor for supply and delivery of assorted sports kits which is not supported by invoices or payment vouchers. Consequently, the accuracy and completeness of sports project figure of Kshs.2,060,707 for the year ended 30 June 2020 could not be confirmed			
4.0	The statement of assets and liabilities reflect cash and cash equivalents of Kshs.638,183 as at 30 June 2020. However, examination of the bank reconciliation statement for the month of June 2020 revealed stale cheques amounting to Kshs.9,213,471, which have been outstanding since 2018 to date. No explanation has been provided as to why the same have not been reversed in the cash books and eventually replaced. Further, two cheques totalling Kshs.61,627 issued in April 2017 and one transfer of Kshs.50,000 made in June 2019 have remained uncleared to date. The accuracy and completeness of the cash and cash equivalents of Kshs.638,183 as at 30 June 2020 could not be confirmed.	The SCA has made the necessary adjustments in the cash book	Resolved	
5.0	Note 17.4 and Annexure 5 of the financial statements reflects Project	Bank certificated were presented for verification	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Management Committee Bank Balances of Kshs.18,826,369 held in sixteen (16) different project bank accounts as at 30 June 2020. However, the management has not availed the cash books</p> <p>bank reconciliation statements and bank confirmation certificates of bank balance in respect for each of the PMC bank accounts for audit review.</p> <p>Consequently, the accuracy, validity, existence and completeness of the Project Management Committee bank balances of Kshs.18,826,369.50 as at 30 June 2020 could not be confirmed</p>			
6.0	<p>Annex 4 to the financial statements reflects fixed assets of Kshs.34,941,057. However, the fixed assets register has not been availed for audit review.</p> <p>Consequently, the validity, accuracy, and completeness of fixed assets figure of Kshs.34,941,057 as at 30 June 2020 could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Turkana South Constituency in</p>			



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion			

