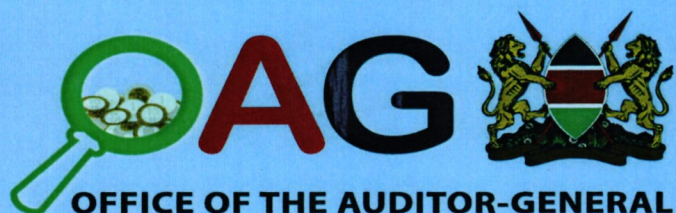


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

THE NATIONAL ASSEMBLY	
DATE: 23 NOV 2022	DAY: Wednesday
TABLED BY: Majority Whip	
CLERK AT THE TABLE: Christine	

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
KABONDO KASIPUL CONSTITUENCY**

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





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KABONDO KASIPUL CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL 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)



*Kabondo Kasipul 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.

#### (a) Key Management

The Kabondo Kasipul 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)

#### (b) 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	Peter Nyajure Achar
2.	Sub-County Accountant	John Ohanga
3.	Chairman NGCDFC	Joshua Moth Aroko
4.	Member NGCDFC	Olivia Awaa Olick

#### (c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Kabondo Kasipul Constituency. 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.

#### (d) NG-CDF Kabondo Kasipul Constituency Headquarters

P.O. Box 84-40223  
Rachuonyo East Sub-county Headquarters – Ramula  
KADONGO

#### (e) NG-CDF Kabondo Kasipul Constituency Contacts

Telephone: (254)720 399 068  
E-mail: cdfkabondokasipul@ngcdf.go.ke



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

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**(f) NG-CDF Kabondo Kasipul Constituency Bankers**

Cooperative Bank Account number 01141454980500  
Oyugis Branch  
P.O. Box 263,-40222  
Oyugis

**(g) Independent Auditors**

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

**(h) 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



Joshua Moth Aroko,  
Kasipul Kabondo, NG-CDFC Chairman

### a) Introduction

It is my pleasure to present to you the annual report and financial statements for the year ended June 30, 2021. During the year under review, the entity was allocated Kshs 137,088,724. Our performance was generally impressive and we were able to offer more services to our constituents.

The NG-CDF Board disbursed 92,000,000(67%) of the funds within the financial year out of the total of 137,088,724, this delayed the implementation of some projects by end of the financial year. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure where close to 80% of the funds were allocated to these initiatives.

### b) Allocation to Projects

Overall utilization of funds stood at 76.3% as compared to 54.8% in the year 2019/2020. This was an improvement on utilization of funds as a result of the board disbursing more funds compared to the other financial year.

In the year under review 82% of the funds were allocated to education with 46% towards primary education capital projects, 19% towards Secondary education capital projects and 17% towards bursary. Administration 6%, Emergency 5%, M & E 3%, Security was allocated 1% while Sports and Environment were each allocated 1% and 2% of the funds respectively.



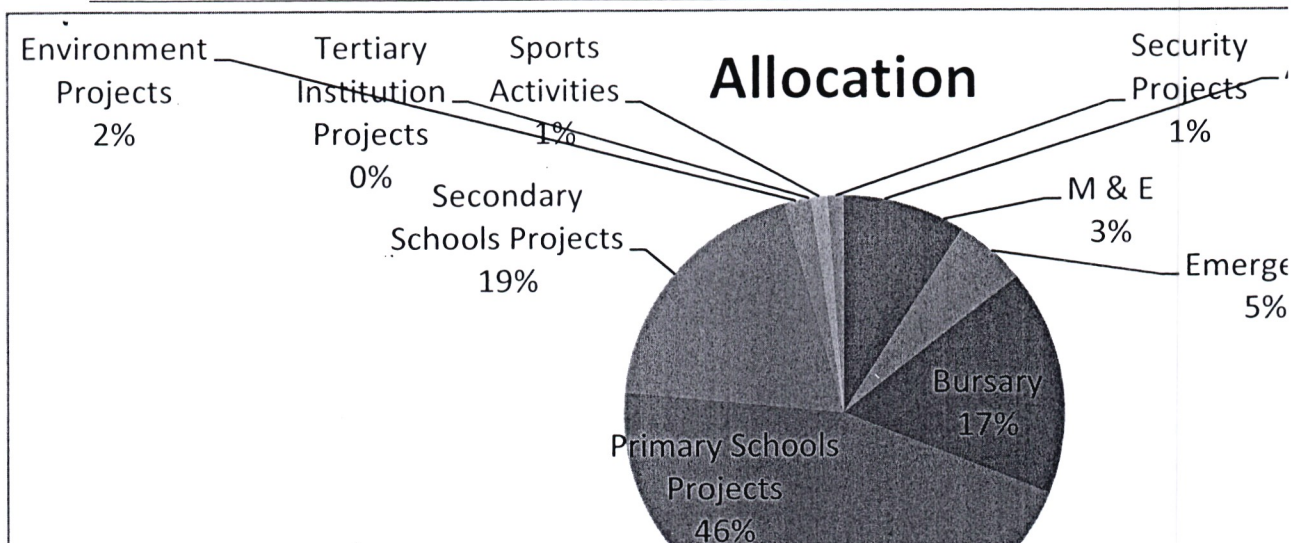


Fig 1: Allocation of Funds to Projects

c) Key achievements of the entity

i) Model Schools

In line with the constituency's strategic plan and in consultation with all stakeholders, we have put in place an annual programme in which each of the wards, one primary school is fully refurbished to give it a face lift, a signature of excellence. We rehabilitated 5 primary schools in the financial year 2020/2021 as model schools.

ii) Scholarship Program

Annually, 2 bright but needy students from each of our 11 locations who scored 350 marks and above have their Secondary School fees paid till completion, after a thorough vetting process by our constituency Education Committee. A total of 90 students are currently being sponsored under this program

iii) Projects

We have undertaken a number of project in education and security sector in the financial year 2020/2021. Sample of projects done are shown in fig 3 and 4 below



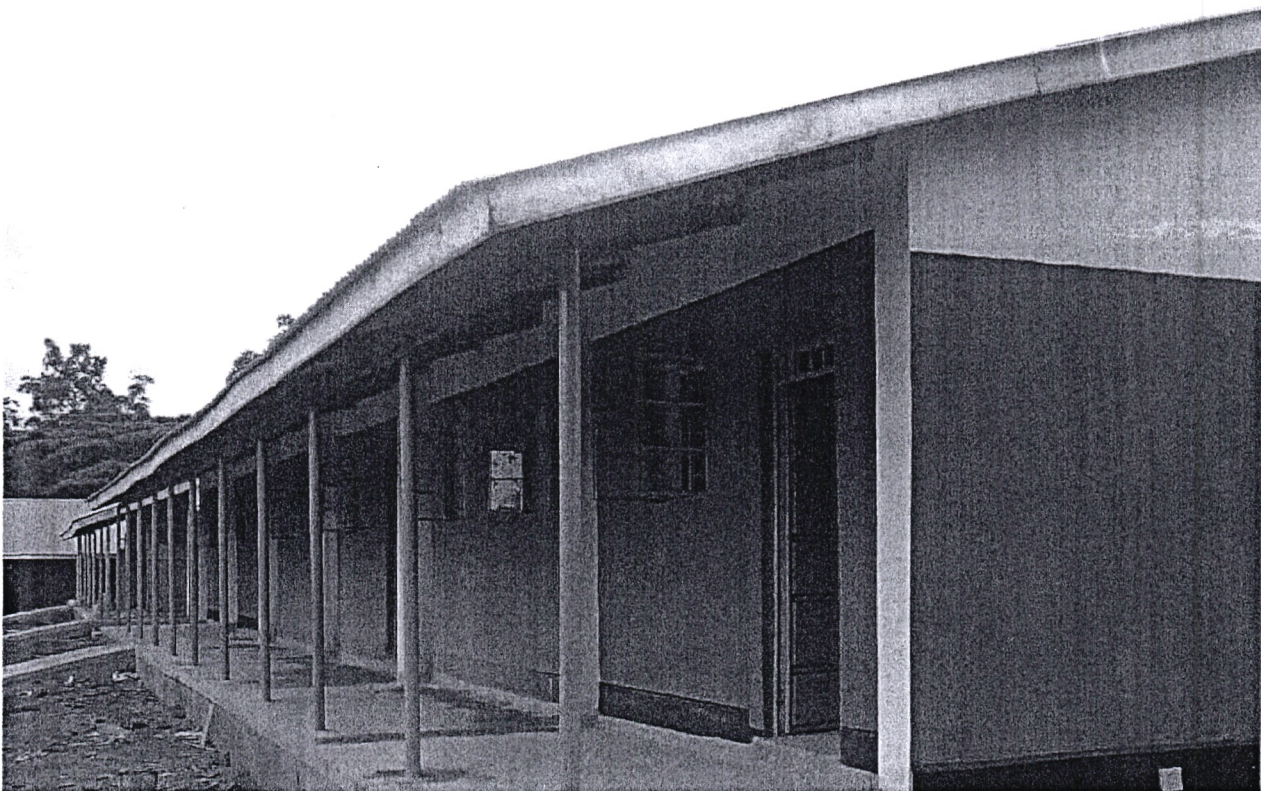
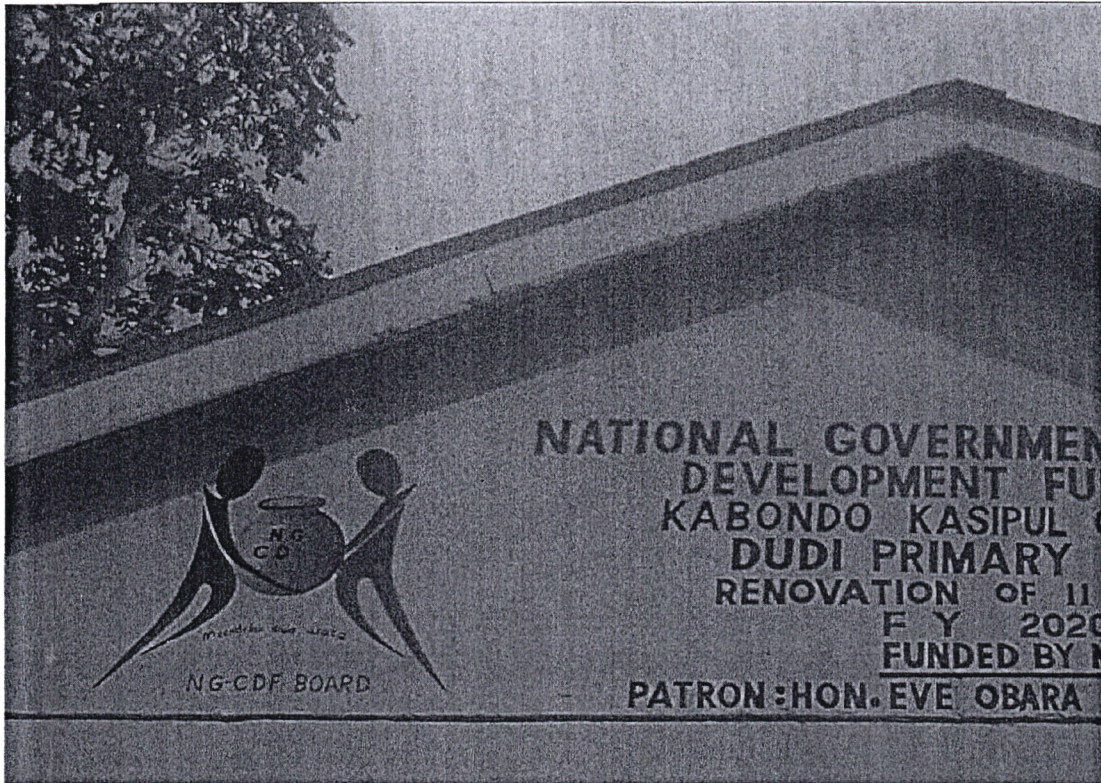
Fig 2 a : Atela Primary School: Rehabilitation of 14 Classrooms





**Fig 2 b: Atela Primary School: Rehabilitation of 14 Classrooms**





*Fig 3: Dudi Primary School: Renovation of 11 classrooms*





Fig 6: Launch of 2021 scholarship program

### **Implementation Challenges**

In the year under review, we faced a number of challenges in the implementation of projects. The delays in release of funds impacted negatively on the timely delivery of services to constituency. Covid 19 also continued to pose challenge for implementation of projects.

### **Way Forward**

With the close consultations with key stakeholders and the office of the Member of Parliament, we have been able to achieve our goals with ease. My team and I aim to leverage the utilization of funds to ensure that the constituency is able to develop as quickly as possible while ensuring transparency and accountability in all our activities.

Signature .....

**JOSHUA MOTH AROKO**

**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 NGCDF-Kabondo Kasipul Constituency's 2018-2022 Strategic plan are to:

- a) *To improve the schools' infrastructure and performances*
- b) *To enhance safety and security of communities in Kabondo Kasipul*
- c) *To expand and improve road network in the constituency*
- d) *To promote sustainable utilization of natural resources*
- e) *Promotion of youth/women in economic engagement*
- f) *Provide ICT infrastructure and create an environment for innovation*

#### Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance in FY 20/21
Education Accessibility	To improve the schools' infrastructure and performances	<ul style="list-style-type: none"> <li>• Adequate and conducive environment in terms of classrooms, library, laboratories, dormitories, halls to be used</li> <li>• Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</li> </ul>	<ul style="list-style-type: none"> <li>• number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>• number of bursary beneficiaries at all levels</li> </ul>	<ul style="list-style-type: none"> <li>- Renovated 78 classrooms in Primary Schools</li> <li>- Completed 7 laboratories</li> <li>- Constructed 4 administration blocks.</li> <li>- Completed 120-bed capacity dormitory</li> <li>- Constructed 5 new classrooms</li> <li>- Issued bursaries amounting to Ksh 18,511,245 to 3500 students</li> </ul>

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

Constituency Program	Objective	Outcome	Indicator	Performance in FY 20/21
Security	To enhance safety and security of communities in Kabondo Kasipul	<ul style="list-style-type: none"> <li>Improved security and provision of services to constituents within the constituency</li> </ul>	<ul style="list-style-type: none"> <li>Number of chief, ACC, DCC, assistant chief offices constructed.</li> <li>Number of police posts, stations constructed or rehabilitated</li> </ul>	<ul style="list-style-type: none"> <li>1 police station constructed.</li> <li>6 Administration Police Housing units constructed</li> <li>4 Chiefs Offices completed</li> </ul>
Roads	To expand and improve road network in the constituency	Improved road network that enhances communication	<ul style="list-style-type: none"> <li>Number of Kilometres of Roads constructed</li> </ul>	Over 5km of road rehabilitated
Sports	Promotion of youth/women in economic engagement	Active participation of youth in sports and advocacy activities	<ul style="list-style-type: none"> <li>Number of sporting field rehabilitated</li> <li>Number of sporting tournaments held</li> </ul>	1 sporting field rehabilitated Sports Uniforms distributed to teams.
Environment	To promote sustainable utilization of natural resources	Sustainable environment	<ul style="list-style-type: none"> <li>Number of Water harvesting facilities provided</li> <li>Number of trees planted</li> </ul>	Water Tanks installed in 15 schools 2500 trees planted
ICT	Provide ICT infrastructure and create an environment for innovation	Job creation through ICT	Number of ICT Hubs	2 ICT hubs equipped



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

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

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

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

##### 2. Environmental performance

- *In this financial the constituency under environment purchased and planted in five schools a total of 2500 seedlings. The constituency also purchased and installed 10,000 litres water tanks in ten primary Schools to help with water harvesting and environment sustainability.*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament by purchasing and distributing sports equipment to clubs in the constituency bringing communities and sensitizing them on environmental conservation matters.*



- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Kabondo Kasipul 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. Kabondo Kasipul 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. Induction and orientation of new employees is done within the first three months of employment. We have a policy for continuous training and development of our employees. Regular trainings on emerging issues are conducted jointly with other constituencies. Employees are encouraged to pursue higher education in their field and NGCDF committed to paying 50% of the tuition fee.

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

Kabondo Kasipul 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-**

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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



Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

**Public Awareness**

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

Kabondo Kasipul 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, 2013 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.

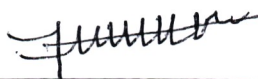
The Accounting Officer in charge of the NGCDF-Kabondo Kasipul Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 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-Kabondo Kasipul 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 *entity'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-Kabondo Kasipul Constituency further confirms the completeness of the accounting records maintained for the *entity*, 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.

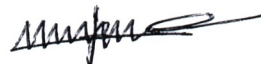
The Accounting Officer in charge of the NGCDF-Kabondo Kasipul Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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- Kabondo Kasipul Constituency financial statements were approved and signed by the Accounting Officer on 31<sup>st</sup>, 2021.



Chairman NGCDF Committee  
Name: Joshua Moth Aroko

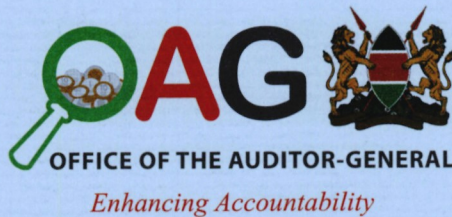


Fund Account Manager  
Name: Peter Nyajure Achar



# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KABONDO KASIPUL 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**

#### **Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kabondo Kasipul Constituency set out on pages 17 to 58, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary



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

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kabondo Kasipul 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects total budgeted receipts of Kshs.226,556,976 and actual receipts of Kshs.176,578,097 resulting to a receipts deficit of Kshs.49,978,880 or 22% of the budget. Similarly, the statement reflects a final expenditure budget and actual expenditure on comparable basis of Kshs.226,556,977 and Kshs.172,923,400 respectively, resulting in an under-expenditure of Kshs.53,633,577 or 24% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Kabondo Kasipul Constituency.

#### **2. Unresolved Prior Year Audit Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not provided satisfactory reasons for the delay in resolving the issues.



# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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**

### **1.0 Transfers to Other Government Entities**

The statement of receipts and payments reflects transfers of Kshs.99,040,200 to other government entities which includes transfers of Kshs.26,178,221 to secondary schools as disclosed in Note 6 to the financial statements. The following observations were made regarding the expenditure:

#### **1.1 Stalled Construction of Twin Science Laboratory Block at Wan'gapala High School**

Audit review of expenditure records established that an amount of Kshs.6,430,000 was disbursed to Wang'apala High School towards construction of a Twin Science Laboratory. The contract was awarded to a local contractor at a contract sum of Kshs.5,595,891 and a cumulative amount of Kshs.5,199,585 had been paid as at the time of audit. However, audit inspection of the Project at the time of audit on 13 April, 2022 revealed that the construction works had been done up to lintel level, or approximately 20% complete and the works had stalled as the contractor was not on site.

In the circumstances, projects costs may escalate and the students and other stakeholders may not obtain value for money from expenditure.

#### **1.2 Stalled Construction of Library and Computer Laboratory at Owiro Secondary School**

Review of expenditure records established that an amount of Kshs.2,500,000 was disbursed to Owiro Secondary School towards construction and completion of a Library and Computer Laboratory. The contract was awarded to a local contractor at a contract sum of Kshs.3,499,845 with a cumulative amount of Kshs.2,500,000, or 72 % having been paid as at the time of audit. However, audit inspection of the Project at the time of audit on 13 April, 2022 revealed that the contractor was not on site and the work had stalled.

In the circumstances, value for money on the amount of Kshs.2,500,000 expended on the Project could not be ascertained.

### **2.0 Failure to Report Utilization of Emergency Reserves**

The statement of receipts and payments reflects other grants and other payments amounting to Kshs.54,429,603 which includes emergency projects of Kshs.5,107,310 as disclosed in Note 7 to the financial statements. However, Management did not report occurrences of emergency to the Board within thirty (30) days as required by



Regulation 20 (2) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, Management was in breach of law.

### **3.0 Failure to Involve Project Management Committees in Implementation of Projects**

Review of expenditure records relating to emergency projects revealed that projects amounting to Kshs.4,060,079 were implemented without involving the Project Management Committees (PMCs). In addition, payments amounting to Kshs.4,228,619 were made directly to four (4) firms engaged to implement roads and bridges projects without involving the PMCs. This is contrary to Regulation 15(1) of the National Government Constituencies Development Regulations, 2016 which provides for the appointment and roles of a Project Management Committee for each project in a Constituency.

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

### **4.0 Anomalies in Implementation of Roads and Bridges Projects**

As disclosed in Note 7 to the financial statements, the amount of Kshs.54,429,603 for other grants and other payments includes expenditure of Kshs.4,263,643 on roads and bridges. However, the construction of access roads is a devolved and not a National Government function and thus Management contravened Section 24(a) of the National Government Constituencies Development Fund Act, 2015 which provides that a Project under the Act shall only be in respect of works and services falling within the functions of the National Government under the Constitution.

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

### **5.0 Failure to Brand Completed Security Projects**

As disclosed at Note 7 to the financial statements, Kshs.5,735,982 was paid relating to security projects. However, audit inspection of the projects revealed that three (3) projects implemented at a cost of Kshs.3,154,335 were complete and in use but had not been branded as required under Regulation 11(1)(cc) of the National Government Constituencies Development Regulations, 2016 which provides that the functions of a Constituency Committee includes ensuring that projects are labelled in accordance with the guidelines issued by the Board.

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

### **6.0 Lack of a Properly Constituted Bursary Sub-Committee**

As disclosed in Note 7 to the financial statements, bursaries to secondary schools and tertiary institutions and special schools totalled to Kshs.34,778,032. However, the Bursary Sub-Committee as constituted did not co-opt two members, one whom must be the Area Education Officer or a representative of the of Ministry of Education, in contravention of the provisions of the Constituency Development Fund Board Circular Reference VOL1/111, dated 13 September, 2010 which requires formation of a Sub-Committee of Constituency Development Fund to manage the bursary scheme including two co-opted members one of whom must be an Education Officer or an Officer seconded from the Ministry of Education.



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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that



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

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

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

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

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

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

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

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



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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi




23 September, 2022



**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	176,110,927	75,529,007
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>176,110,927</b>	<b>75,529,007</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,097,800	3,399,246
Use of goods and services	5	15,355,798	13,086,140
Transfers to Other Government Units	6	99,040,200	49,442,276
Other grants and transfers	7	54,429,603	35,338,960
Acquisition of Assets	8	-	2,512,763
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>172,923,400</b>	<b>103,779,386</b>
<b>SURPLUS/DEFICIT</b>		<b>3,187,527</b>	<b>(28,250,379)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Kabondo Kasipul Constituency financial statements were approved on 31.8.2021 and signed by:

		
_____ Fund Account Manager Name: Peter Nyajure Achar	_____ National Sub-County Accountant Name: John Ohanga ICPAK M/No:	_____ Chairman NG-CDF Committee Name: Joshua Moth Aroko

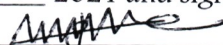



*Kabondo Kasipul Constituency  
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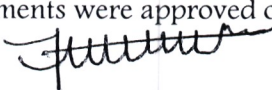
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	3,654,697	467,170
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>3,654,697</b>	<b>467,170</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,654,697</b>	<b>467,170</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>3,654,697</b>	<b>467,170</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	467,170	26,524,538
Prior year adjustments	14	-	2,193,010
Surplus/Deficit for the year		3,187,527	(28,250,379)
<b>NET FINANCIAL POSITION</b>		<b>3,654,697</b>	<b>467,170</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kabondo Kasipul Constituency financial statements were approved on 31<sup>st</sup> of June, 2021 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Peter Nyajure Achar

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: John Ohanga  
ICPAK M/No:

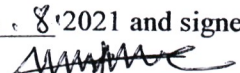
  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: Joshua Moth Aroko




**IX. - STATEMENT OF CASHFLOW**

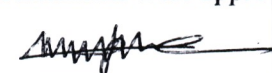
	NOTE	2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	176,110,927	75,529,007
Other Receipts	3	-	-
		<b>176,110,927</b>	<b>75,529,007</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,097,800	3,399,246
Use of goods and services	5	15,355,798	13,086,140
Transfers to Other Government Units	6	99,040,200	49,442,276
Other grants and transfers	7	54,429,603	35,338,960
Other Payments	9	-	-
		<b>172,923,400</b>	<b>101,266,622</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	2,193,010
<b>Net Adjustments</b>		-	2,193,010
<b>Net cash flow from operating activities</b>		<b>3,187,527</b>	<b>(23,544,605)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(2,512,763)
<b>Net cash flows from Investing Activities</b>		-	<b>(2,512,763)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>3,187,527</b>	<b>(26,057,369)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>467,170</b>	<b>26,524,538</b>
<b>Cash and cash equivalent at END of the year</b>		<b>3,654,697</b>	<b>467,170</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Kabondo Kasipul Constituency financial statements were approved on 31.8.2021 and signed by:



**Fund Account Manager**  
Name: Peter Nyajure Achar

  
**National Sub-County Accountant**  
Name: John Ohanga  
ICPAK M/No:

  
**Chairman NG-CDF Committee**  
Name: Joshua Moth Aroko



**X. SUMMARY STATEMENT OF APPROPRIATION**




Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	a	b		c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>							
Transfers from NG-CDF Board	137,088,879	467,170	89,000,928	226,556,976	176,578,097	49,978,880	77.9 %
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>467,170</b>	<b>89,000,928</b>	<b>226,556,976</b>	<b>176,578,097</b>	<b>49,978,880</b>	<b>77.9 %</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,605,332	-	519,469	4,124,801	4,097,800	27,001	99.3 %
Use of goods and services	8,732,668	467,170	7,350,977	16,550,815	15,355,798	1,195,017	92.8 %
Transfers to Other Government Units	88,855,000	-	44,082,724	132,937,724	99,040,200	33,897,525	74.5 %
Other grants and transfers	35,895,880	-	36,480,741	72,376,621	54,429,603	17,947,019	75.2 %
Acquisition of Assets	-	-	567,016	567,016	-	567,016	0.0%
Other Payments	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>137,088,879</b>	<b>467,170</b>	<b>89,000,928</b>	<b>226,556,977</b>	<b>172,923,400</b>	<b>53,633,577</b>	<b>76.3 %</b>



- i. The underutilization in Transfers to other Government Units (74.5%), Other grants and Transfers (75.2%) and Acquisition of Assets (0%) was as a result of part receipt of funds from NGCDF Board. This resulted in non-implementation of many projects
- ii. The underperformance (77.9%) in the transfer from NGCDF Board is a result of funds amounting to Kshs 45,088,879 (for 2020/2021) and Ksh 4,890,000 for previous financial years that have not yet been received from the NGCDF Board.
- iii. The original budget for the 2020/2021 was Ksh 137,088,879. The receipts on the adjustment column represents the opening balances of Ksh 467,170 and allocation for previous years of Kshs 83,593,427 that were received in during the year.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	53,633,577
Less undisbursed funds receivable from the Board as at 30th June 2021	(49,978,880 )
	3,654,697
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 202021	<b>3,654,697</b>

The NGCDF-Kabondo Kasipul Constituency financial statements were approved on 31.8.2021 and signed by:

 <hr style="border: 0.5px solid black;"/> <p><b>Fund Account Manager</b> Name:</p>	 <hr style="border: 0.5px solid black;"/> <p><b>National Sub-County Accountant</b> Name: ICPAK M/No:</p>	 <hr style="border: 0.5px solid black;"/> <p><b>Chairman NG-CDF Committee</b> Name:</p>
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**XI. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,605,332		519,469	4,124,801	4,097,800	27,001	99
1.2 Committee allowances	2,200,000	467,170	1,701	2,668,871	2,668,871	-	100
1.3 Use of goods and services	2,420,001		3,963,979	6,383,980	5,473,972	910,008	86
<b>Total</b>	<b>8,225,333</b>	<b>467,170</b>	<b>4,485,149</b>	<b>13,177,652</b>	<b>12,240,643</b>	<b>937,009</b>	<b>93</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	2,000,000		799	2,000,799	2,000,799	-	100
2.2 Committee allowances	1,100,000		3,351,392	4,451,392	4,166,384	285,008	94
2.3 Use of goods and services	1,012,666		33,106	1,045,772	1,045,772	0	100
<b>Total</b>	<b>4,112,666</b>	<b>-</b>	<b>3,385,297</b>	<b>7,497,963</b>	<b>7,212,955</b>	<b>285,008</b>	<b>96</b>



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<b>3.0 Emergency</b>										
3.1 Primary Schools	7,192,207			-	7,192,206.97	5,107,310	2,084,897		71	
3.2 Secondary schools					-		-		-	
3.3 Tertiary institutions					-		-		-	
3.4 Security projects					-		-		-	
3.5 Unutilised					-		-		-	
<b>Total</b>	<b>7,192,207</b>				<b>7,192,207</b>	<b>5,107,310</b>	<b>2,084,897</b>			
<b>4.0 Bursary and Social Security</b>										
4.1 Secondary Schools	12,000,000			-	12,287,759	15,294,016	8,993,743		63	
4.2 Tertiary Institutions	8,000,000			-	6,574,336	19,434,016	(4,859,680)		133	
4.3 Social Security	1,800,000			-	2,723,634	4,523,634	4,523,634		-	
4.4 Special Needs	1,200,000			-	1,941,640	50,000	3,091,640		2	
<b>Total</b>	<b>23,000,000</b>				<b>23,527,369</b>	<b>34,778,032</b>	<b>11,749,337</b>			
<b>5.0 Sports</b>										
5.1 Sports Tournament	1,700,000			-	1,700,000	1,700,000	-		100	
<b>Total</b>	<b>1,700,000</b>				<b>1,700,000</b>	<b>1,700,000</b>	<b>-</b>			
<b>6.0 Environment</b>										
6.1 Environment Projects	2,428,673				1,878,964	2,844,636	1,463,001		66	
<b>Total</b>	<b>2,428,673</b>				<b>1,878,964</b>	<b>2,844,636</b>	<b>1,463,001</b>			
<b>7.0 Primary Schools Projects</b>										
Angino Primary School	350,000.00				350,000		350,000		-	



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

Anyona Primary School	1,500,000.0 0		2,000,000	3,500,000	3,500,000	-	100
Chagere Primary School	225,000.00			225,000		225,000	-
Kogola Primary School	700,000.00			700,000		700,000	-
Kolwa Primary School	100,000.00			100,000		100,000	-
Kotienditi Primary School	200,000.00			200,000		200,000	-
Masogo Primary School	400,000.00			400,000	400,000	-	100
Ogera Primary School	250,000.00			250,000		250,000	-
Ponge Primary School	200,000.00			200,000		200,000	-
Ragogo Primary School	250,000.00			250,000		250,000	-
Atela Primary School	8,250,000.0 0			8,250,000	5,973,000	2,277,000	72
Atemo Primary School	8,175,000.0 0		800,000	8,975,000	8,975,000	-	100
Dudi Primary School	7,025,000.0 0			7,025,000	6,100,000	925,000	87
Opanga Primary school	7,025,000.0 0			7,025,000	5,500,000	1,525,000	78
Oriang Primary School	9,775,000.0 0		950,000	10,725,000	6,000,000	4,725,000	56
Anjech Primary School	2,000,000.0 0			2,000,000	2,000,000	-	100
God Miaha Primary School	750,000.00			750,000	750,000	-	100
Kadie Primary School	750,000.00		950,000	1,700,000	1,700,000	-	100
Kadiju Primary School	750,000.00			750,000	750,000	-	100
Kandegwa Primary School	750,000.00			750,000	725,540	24,461	97
Kango Primary School	750,000.00		750,000	1,500,000	1,455,916	44,084	97



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Kanyangwara Primary School	750,000.00			750,000	750,000	750,000	-	100
Kilusi Primary School	750,000.00		750,000	1,500,000	1,500,805	(805)		100
Kitare Primary School	750,000.00			750,000	750,000	(0)		100
Kogonda Primary School	750,000.00		750,000	1,500,000	1,500,000	-		100
Kolweny Primary School	200,000.00			200,000		200,000		-
Masogo Primary School	750,000.00		1,150,000	1,900,000	1,892,147	7,853		100
Nyabondo Milimani Primary School	2,000,000.00			2,000,000	900,000	1,100,000		45
Nyakwaka Primary School	750,000.00		750,000	1,500,000	750,000	750,000		50
Nyaluru Primary School	750,000.00		750,000	1,500,000	1,500,000	-		100
Nyamwaga Primary School	750,000.00		750,000	1,500,000	750,000	750,000		50
Riwo Primary School	750,000.00		600,000	1,350,000	1,350,000	-		100
Rungu Primary School	750,000.00		750,000	1,500,000	1,496,840	3,160		100
Dudu Primary School	496,000.00			496,000	394,473	101,527		80
Kandegwa Primary School	496,000.00			496,000	515,373	(19,373)		104
Kogalo Primary School	496,000.00			496,000	501,614	(5,614)		101
Luanda Primary School	496,000.00			496,000	496,000	-		100
Oriri Primary School	496,000.00			496,000	566,325	(70,325)		114
Apondo Primary School			200,001	200,001	200,001	-		100
Anyona Primary School			250,000	250,000	246,210	3,790		98
Apondo Primary School			250,000	250,000	250,000	-		100
Atemo Primary School			250,000	250,000	250,000	-		100
Ayiengo Primary School			1,050,000	1,050,000	1,050,000	-		100







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Total	62,355,000	-	24,471,364	86,826,364	72,861,979	13,964,385	5,500
<b>8.0 Secondary Schools Projects</b>							
Ober Mixed Secondary School	350,000.00			350,000	-	350,000	-
Danis Obara Mixed Secondary School	1,900,000.00		100,000	2,000,000		2,000,000	-
Gangre Secondary School	700,000.00			700,000	500,000	200,000	71
Harambee Secondary School	3,500,000.00		1,500,000	5,000,000	1,500,000	3,500,000	30
Kandegwa Secondary School	500,000.00			500,000		500,000	-
Kingsway Kolweny High School	600,000.00			600,000		600,000	-
Kojwach High School	250,000.00		300,000	550,000	300,000	250,000	55
Kokwanyo Mixed Secondary School	1,000,000.00		100,000	1,100,000		1,100,000	-
Nyasore Secondary School	3,500,000.00		1,500,000	5,000,000	5,000,000	-	100
Nyawango Secondary School	3,500,000.00		1,500,000	5,000,000	2,500,000	2,500,000	50
Ogilo Secondary School	300,000.00			300,000	300,000	-	100
Ongoro Secondary School	350,000.00			350,000		350,000	-
Owiro Secondary School	1,250,000.00		1,250,000	2,500,000	1,250,000	1,250,000	50
Sianya Secondary School	3,500,000.00		1,500,000	5,000,000	1,500,000	3,500,000	30
Wangapala Secondary School	3,000,000.00		2,000,000	5,000,000	6,700,000	(1,700,000)	134
God Ber Secondary School	2,000,000.00		425,000	2,425,000		2,425,000	-







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Kodhoch West Chief			200,000	200,000	200,000	200,000	-
Kojwach Chiefs Office			300,000	300,000	300,000	785,312	(485,312)
Kokwanyo Chief Camp			300,000	300,000	300,000	300,000	-
Kojwach East Chiefs Office			800,000	800,000	800,000	800,000	800,000
Ramba Chiefs Office			400,000	400,000	400,000	400,000	-
Audo Market Centre			241,000	241,000	241,000	241,000	-
Lida Market			241,000	241,000	241,000	241,000	-
Ogera Junction Market			241,000	241,000	241,000	241,000	-
Ponge Market Centre			241,000	241,000	240,991	240,991	9
Wangapala Market Centre			241,000	241,000	241,000	241,000	241,000
Kenya Police Service-Central Sori			980,872	980,872	980,872	980,872	-
Kojwach Chief Camp			-	-	-	-	-
Kodhoch West Chief Office			400,000	400,000	400,000	303,728	96,272
<b>Total</b>	<b>1,575,000</b>	<b>-</b>	<b>4,985,872</b>	<b>6,560,872</b>	<b>5,735,981</b>	<b>824,891</b>	<b>-</b>
<b>11.0 Roads Projects</b>							
11.1 Namba Ogilo Junction- Ogilo Primary School- Ogilo Secondary School- Manga Road			688,536	688,536	887,148	(198,612)	
11.2 Ramula Junction- Anjech Primary School- Wangapala Primary- Wangapala Secondary School Roads			1,000,000	1,000,000	1,000,000	-	



Kadongo- Got Rateng Primary/Secondary School-Osuri-Chagere Primary School Road	-	2,000,000	2,000,000	780,135	2,000,000	19,865
Awach Foot Bridge	-	800,000	800,000	996,360	3,640	
Nyowa Junction-Adega Secondary School-Kitare Primary Road	-	1,000,000	1,000,000	600,000	-	
Atemo-Kolwa Primary Sschhol	-	6,088,536	6,088,536	4,263,643	1,824,893	-
<b>Total</b>						
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	567,016	567,016	-	567,016	-
<b>Total</b>	-	<b>567,016</b>	<b>567,016</b>	-	<b>567,016</b>	-
<b>12.0 Other payments</b>						
<b>Total</b>	-	-	-	-	-	-
<b>13.0 unallocated fund</b>						
13.1 Unapproved projects						
3.2 AIA						



Kadongo- Got Rateng Primary/Secondary School-Osuri-Chagere Primary School Road	-	2,000,000	2,000,000	780,135	2,000,000	19,865	2,000,000
Awach Foot Bridge	-	800,000	800,000	996,360	3,640		
Nyowa Junction-Adega Secondary School-Kitare Primary Road	-	1,000,000	1,000,000	600,000	-		
Atemo-Kolwa Primary Sschhol	-	600,000	600,000	4,263,643	1,824,893		
<b>Total</b>	-	6,088,536	6,088,536				
<b>11.0 Acquisition of assets</b>							
11.1 Motor Vehicles	-	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-	-
11.4 Purchase of computers	-	567,016	567,016	-	567,016	-	-
<b>Total</b>	-	567,016	567,016	-	567,016	-	567,016
<b>12.0 Other payments</b>							
<b>Total</b>	-	-	-	-	-	-	-
<b>13.0 unallocated fund</b>							
13.1 Unapproved projects							
3.2 AIA							



## **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-Kabondo Kasipul 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 16th 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
Normal Allocation		Kshs	Kshs
AIE NO.	B 005108		4,000,000
AIE NO.	B 030184		20,000,000
AIE NO.	B 030428		6,000,000
AIE NO.	B 006370		15,000,000
AIE NO.	B 042761		15,000,000
AIE NO.	B 047007		500,000
AIE NO.	B 041083		7,029,007
AIE NO.	B 041083		8,000,000
AIE NO.	B096885	14,168,203	
AIE NO.	B096955	15,000,000	
AIE NO.	B104606	19,000,000	
AIE NO.	A823522	35,367,724	
AIE NO.	B104811	575,000	
AIE NO.	B124527	9,000,000	
AIE NO.	B124955	10,000,000.00	
AIE NO.	B119809	12,000,000.00	
AIE NO.	B128099	6,900,000.00	
AIE NO.	B128411	6,000,000.00	
AIE NO.	B132155	6,000,000.00	
AIE NO.	B138823	12,000,000.00	
AIE NO.	B126118	7,000,000.00	
AIE NO.	B126408	11,100,000.00	
AIE NO.	B140554	12,000,000.00	
<b>TOTAL</b>		<b>176,110,927</b>	<b>75,529,007</b>

### 2. PROCEEDS FROM SALE OF ASSETS

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from the Sale of Buildings			-
Receipts from the Sale of Vehicles and Transport Equipment			-
Receipts from the Sale Plant Machinery and Equipment			-
Receipts from the Sale of Office and General Equipment			-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continue)*

**3. OTHER RECEIPTS**

<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Interest Received			-
Rents			-
Receipts Sale of Tender Documents		-	-
Hire of plant/equipment/facilities		-	-
Unutilized funds from PMCs			-
Other Receipts Not Classified Elsewhere (specify)		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries		2,912,999	2,424,849
<b>Personal allowances paid as part of salary</b>			
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Other personnel payments		235,370	144,000
Gratuity-contractual employees		690,231	678,529
Employer Contributions Compulsory national social security schemes		259,200	151,868
<b>TOTAL</b>		<b>4,097,800</b>	<b>3,399,246</b>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	0	46,648
Electricity	0	-
Water & sewerage charges	-	-
Office rent		75,000
Communication, supplies and services	164,257	147,082
Domestic travel and subsistence	567,000	525,350
Printing, advertising and information supplies & services	154,273	68,100
Rentals of produced assets		-
Training expenses	1,332,819	804,000
Hospitality supplies and services	495,030	445,450
Other committee expenses	2,443,138	2,420,282
Committee allowance	3,787,019	4,992,497
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	1,651,113	664,027
Fuel , oil & lubricants	1,341,010	578,063
Other operating expenses	0	0
Bank service commission and charges	82,750	0
Other Operating Expenses	2,828,200	1,863,077
Security operations		-
Routine maintenance - vehicles and other transport equipment	509,189	423,214
Routine maintenance- other assets	0	33,350
<b>TOTAL</b>	<b>15,355,798</b>	<b>13,086,140</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	72,861,979	32,358,636
Transfers to Secondary Schools	26,178,221	15,150,000
Transfers to Tertiary Institutions	-	1,933,640
<b>TOTAL</b>	<b>99,040,200</b>	<b>49,442,276</b>

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary ( see attached list)	15,294,016	7,362,241
Bursary -Tertiary ( see attached list)	19,434,016	8,535,384
Bursary- Special Schools	50,000	2,614,360
Mocks & CAT ( see attached list)	-	876,366
Social Security programmes (NHIF)		
Security Projects ( see attached list)	5,735,982	5,000,380
Roads & Bridges	4,263,643	3,234,852
Sports Projects ( see attached list)	1,700,000	700,000
Environment Projects ( see attached list)	2,844,636	242,500
Emergency Projects ( see attached list)	5,107,310	6,772,878
<b>TOTAL</b>	<b>54,429,603</b>	<b>35,338,960</b>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<b>Non Financial Assets</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings		-	-
Construction of Buildings		-	-
Refurbishment of Buildings		-	342,031.00
Purchase of Vehicles Vehicles and Other Transport Equipment		-	-
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles and Other Transport Equipment		-	-
Purchase of Household Furniture and Institutional Equipment			
Purchase of office furniture and and General Equipment		0	2,170,732
Purchase of computers ,printers and other IT equipments		-	-
Purchase of ICT Equipment, Software and Other ICT Assets		-	-
Purchase of Specialized Plant, Equipment and Machinery		-	-
Purchase of other office equipments		-	467,000
Acquisition of Land		-	-
Acquisition of Intangible Assets			
<b>TOTAL</b>		<b>0</b>	<b>2,512,763</b>

9. OTHER PAYMENTS

Strategic Plan		-	-
ICT Hubs		-	-
			-
<b>TOTAL</b>		<b>-</b>	<b>-</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	Account Number	2020 - 2021	2019 - 2020
		Kshs (30/6/2021)	Kshs (30/6/2021)
Cooperative Bank of Kenya, Oyugis Branch . Kabondo Kasipul NG-CDF	A/C no.01141454980500	3,654,697	467,170
		-	-
		-	-
<b>TOTAL</b>		<b>3,654,697</b>	<b>467,170</b>

11: OUTSTANDING IMPRESTS

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2020)
	Date imprest taken	Kshs	Kshs	Kshs
			-	-
		-	-	-
		-	-	-
<b>TOTAL</b>		-	-	-

12A. RETENTION

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B. GRATUITY

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

13. BALANCES BROUGHT FORWARD

	2020- 2021	2019- 2020
	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	467,170	26,524,538
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>467,170</b>	<b>26,524,538</b>

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjusments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-		-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (Cheques Reversed)	-	-	-
<b>Total</b>	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

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

	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-



NOTES TO THE FINANCIAL STATEMENTS (Continued)

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020- 2021	2019- 2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	-	-

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

	2020- 2021	2019- 2020
	Kshs	Kshs
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

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

	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation of employees	27,001	519,184
Use of goods and services	1,195,017	99,489
Amounts due to other Government entities (see attached list)	33,897,525	44,202,724
Amounts due to other grants and other transfers (see attached list)	17,947,019	40,196,673
Acquisition of assets	567,016	567,016
Others (specify)	-	
Funds pending approval		
	<b>53,633,577</b>	<b>85,585,086</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)		3,980,824	6,938,512



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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	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
Sub-Total						
<b>Construction of civil works</b>						
4.						
5.						
6.						
Sub-Total						
<b>Supply of goods</b>						
7.						
8.						
9.						
Sub-Total						
<b>Supply of services</b>						
10.						
11.						
12.						
Sub-Total						

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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
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				
<b>Sub-Total</b>				
<b>Grand Total</b>				



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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		27,001	519,184	
Use of goods & services		1,195,017	99,489	
<b>Sub Total</b>		<b>1,222,018</b>	<b>618,673</b>	
Amounts due to other Government entities				
<b>Primary Schools Projects</b>		<b>13,964,385</b>	<b>25,016,364</b>	
Angino Primary School		350,000		
Chagere Primary School		225,000		
Kogola Primary School		700,000		
Kolwa Primary School		100,000		
Kotienditi Primary School		200,000		
Ogera Primary School		250,000		
Ponge Primary School		200,000		
Ragogo Primary School		250,000		
Atela Primary School		2,277,000		

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Dudi Primary School			925,000	
Opanga Primary school			1,525,000	
Oriang Primary School			3,977,510	
Kandegwa Primary School			24,461	
Kango Primary School			44,084	
Kolweny Primary School			200,000	
Masogo Primary School			7,853	
Nyabondo Milimani Primary School			1,100,000	
Nyakwaka Primary School			750,000	
Nyamwaga Primary School			750,000	
Rungu Primary School			3,160	
Dudu Primary School			101,527	
Anyona Primary School			3,790	
<b>Secondary Schools Projects</b>			<b>18,946,779</b>	<b>18,500,000.00</b>
Ober Mixed Secondary School			350,000	
Danis Obara Mixed Secondary School			2,000,000	
Gangre Secondary School			200,000	
Harambee Secondary School			3,500,000	
Kandegwa Secondary School			500,000	
Kingsway Kolweny High School			600,000	
Kojwach High School			250,000	











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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/20</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2020/21</b>
Land	965,200	-	-	965,200
Buildings and structures	37,539,113	-	-	37,539,113
Transport equipment	6,224,718	-	-	6,224,718
Office equipment, furniture and fittings	3,021,537	-	-	3,021,537
ICT Equipment, Software and Other ICT Assets	638,445	-	-	638,445
Other Machinery and Equipment	467,000	-	-	467,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>48,856,013</b>	<b>-</b>	<b>-</b>	<b>48,856,013</b>



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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 202<sup>XX</sup>**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
Kabondo Kasipul Environmental Pmc	Coop Bank	1141455613300	1,888.95	8,908.95
Kabondo Kasipul Sports Committee	Coop Bank	1141455515800	5,995.20	1,412.00
Kabondo KAsipul Staff Gratuity	Coop Bank	1134455261000	1,627,355.50	1,018,498.00
Opanga Primary School	Coop Bank	1141796654900	7,775.50	-
Oriang Primary School	Coop Bank	1141018756200	33,575.80	-
Owiro Mixed Secondary School	KCB	1118832906	212,389.00	296.00
Danish Obara Sec. School	KCB	1137462469	431,348.00	2,889,271.00
Atela Primary School	KCB	1120859190	10,885.00	1,785.00
Atemo Primary School	KCB	1132659264	1,513,030.10	8,030.10
Dudi Primary School	KCB	1135518947	7,386.00	5,105.00
Harambee Secondary School	KCB	1279393998	49,395.00	-
Nyasore Secondary School	KCB	1120848709	79,800.30	4488.3.
<b>Total</b>			<b>3,980,824.35</b>	<b>3,933,306.05</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)
4.1	<b>Variances Between Financial Statements and Supporting Schedules</b> The financial statements reflect total payments of Kshs. 13,711,140.00 under use of goods for the year ended 30th June 2020 out of which the expenditures on Committee allowance, other Committee allowances and office and general supplies are not in agreement with the supporting schedules resulting to a total variance of Kshs. 4,841,361.76	The variance in the committee allowances and Other Committee Expenses of Ksh 2,420,282.00 as a result of consolidation of the totals for both the committee allowances (Ksh 5,498,497.00) and Other Committee Expenses (Ksh 2,420,282.00) and reported as Committee Allowances in the financial statements (Ksh 7,918,000.00). The Supporting Schedules provided a breakdown of the two cost items while the financial statement reporting template provided for consolidation of the two. We have amended the Financial Statements by splitting the two items and reporting them separately. <b>See Annex 1</b>	Not resolved	1.1.2022 After getting audit report
4.2	<b>Cash and Cash equivalents</b> The statement of assets and liabilities reflects Cash and Cash Equivalents balance of Kshs. 467,170.00, which is the amount held in the Cooperative Bank Account No. 01141454980500 as at 30 June 2019. The bank reconciliation statement for the account as at that date reflected unrepresented cheques totaling to Kshs.	The Cheque number 6656 amounting to Ksh 1,000,000 being payable to Philsam Company Limited was presented on January 27, 2020. This was reflected (erroneously) in the BRS for June 30, 2020 as unrepresented cheque. This	Not resolved	1.1.2022 After getting audit report



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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>1,334,100.30. However, the following were noted as below;</p> <p>1) A cheque number 6656 amounting to Kshs. 1,000,000 being payment to Philsam Company Limited in the cash book is un-presented in the bank statement but does not form part of un-presented cheques in the bank reconciliation as at 30th June 2020.</p>	<p>error is noted and the BRS schedules updated accordingly. See Annex 4.2 A</p> <p>2) Cheque 7612 amounting to Kshs. 16,500.00 has been posted as Kshs. 165,000.00 leading to a variance of Kshs. 148,500.00</p> <p><b>Management Responses:</b> Cheque No. 7612 amounting to Ksh 16,500 was posted erroneously as Ksh 165,000 in the cashbook. The error was noted at the close of the year and adjustments made at the close of the financial year to correct the overstatement.</p> <p>3) Chq 6354 Kshs. 35,025 being VAT for Kodak paid on 28/11/2019 has not been posted in the cash book</p> <p><b>Management Responses:</b> Cheque No. 6354 being VAT paid on 28.11.2019 was erroneously not posted on the cashbook. However, the said payment was later reversed in the cashbook and hence cancelling the</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)
4.3	<p><b>Budgetary Performances</b></p> <p>No explanation has been provided for the difference between the actual and the Budgeted amounts for Transfers from CDF board-AIES Received.</p>	<p>effect of the earlier misposting</p> <p>The amendments have been made accordingly and the closing balance is still Ksh 467,170 as reported in the financial statements.</p>	Not resolved	1.1.2022 After getting audit report
4.4	<p><b>Project Branding</b></p> <p>A physical inspection of projects funded in the financial year 2019/2020 by the constituency development fund revealed that some projects were not branded with the constituency development fund logo, and year when the activity was approved and budget for implementation.</p>	<p>At the time of audit, the project listed herein; Kolwa Primary School, Kogalo Primary School, Ogilo Secondary School, Abuoye Primary School and Oriwo Youth Polytechnic were still under construction and hence not yet branded. The project will be branded once they are complete. At Anjeh Primary School a plaque with NGCDF insignia was placed at the wall entrance to one of the classrooms. The Management has instructed the contractor to brand one prominent wall for ease of identification.</p>	Not resolved	1.1.2022 After getting audit report



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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)
4.5	<p><b>Procurement of Works</b></p> <p>National Government Constituency Development Fund-Kabondo Kasipul constituency paid a sum of Kshs. 22,131,854.16 for various works in the financial year under review. The payments were in respect of renovation and construction of new classrooms, completion of administration block and routine maintenance and grading of roads. However, procurement documents for the works were not provided</p>	<p>a) Routine Maintenance of Junction- Ogilo Secondary School Road</p> <p>The project was implemented during the financial year under audit and procurement of the said works were commenced on tenders were invited, tenders opened and evaluated the evaluation committee recommended that the tender be awarded to Ms Zitex Enterprises at a tender sum of Ksh. 1,302,537 (One Million, Three Hundred and Two Thousand, Five Hundred and Thirty-Seven Shillings Only). Work Commenced on 7<sup>th</sup> May 2020 and was completed on 21<sup>st</sup> May 2020. Payments for works were made after issuance of a certificate by the KeRRA supervising officer. We have attached copies of Supporting Documents – See Annex 4.5A</p>	Not resolved	1.1.2022 After getting audit report