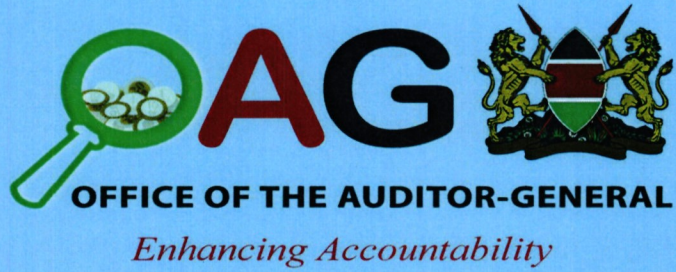
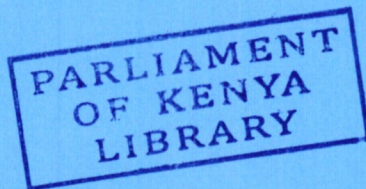


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – RANGWE CONSTITUENCY**

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

THE NATIONAL ASSEMBLY PARLIAMENTARY	
DATE:	01 DEC 2022 Thursday
TABLED BY:	LOM
CLERK AT THE TABLE:	Tracy chebet



RANGWE CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

AMENDED REPORTS AND FINANCIAL STATEMENTS

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

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



Table of Content

Page

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT	Error! Bookmark not defined.
II.	NG-CDFC CHAIRMAN'S REPORT.....	Error! Bookmark not defined.
III.	STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES....	Error! Bookmark not defined.
IV.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	Error! Bookmark not defined.
V.	STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	Error! Bookmark not defined.
VI.	REPORT OF THE AUDITOR GENERAL ON THE NGCDF- RANGWE CONSTITUENCY	Error! Bookmark not defined.
VII.	STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021.	Error! Bookmark not defined.
VIII.	STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021	Error! Bookmark not defined.
IX.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021 .	Error! Bookmark not defined.
X.	SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30 JUNE 2021	Error! Bookmark not defined.
XI.	BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30 JUNE 2021	Error! Bookmark not defined.
XII.	SIGNIFICANT ACCOUNTING POLICIES.....	Error! Bookmark not defined.
XIII.	NOTES TO THE FINANCIAL STATEMENTS	Error! Bookmark not defined.

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:

- i. Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- ii. Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- iii. 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;
- iv. 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;
- v. Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- vi. 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;
- vii. 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;
- viii. 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;
- ix. Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- x. 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
- xi. 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

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Rangwe Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Charles Marita Omosa
2.	Sub-County Accountant	Michael Gudah
3.	Chairman NGCDFC	Charles Otieno Awi
4.	Member NGCDFC	Carolyn Atieno Otieno

(d) Fiduciary Oversight Arrangements

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

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

(e) Rangwe Constituency NGCDF Headquarters

P.O. Box 63
Rangwe NG-CDF Hall
Orero - Rangwe Market Road
Nairobi, KENYA Rangwe Constituency NGCDF **Contacts**

Telephone: (254) 729 495 375
E-mail: cdfrangwe@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Rangwe Constituency NGCDF Bankers

Equity Bank (K) Ltd
Homa Bay Branch
P.O. Box 75104,
Homa Bay, Kenya

(g) Independent Auditors

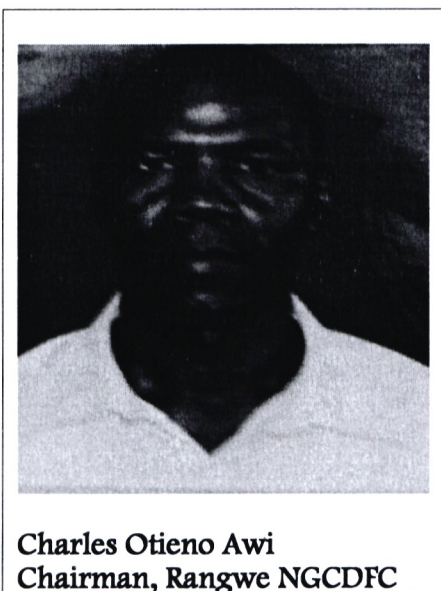
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

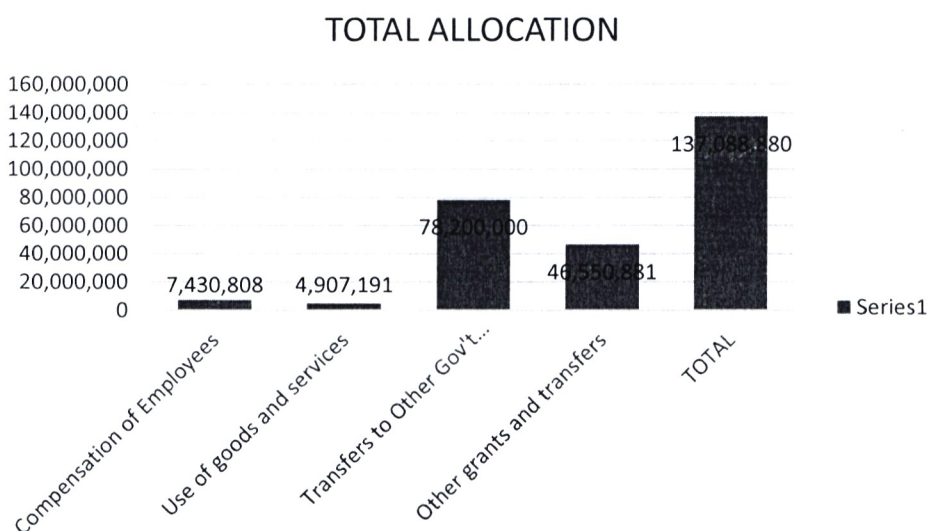
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

II. NG-CDFC CHAIRMAN’S REPORT



We are grateful for the financial year that was. The Rangwe NG-CDF had a proposed budget of Kes. 137,088,879.31 which is a 1% decrease from the Kes. 137,367,724.14 of the previous financial year (2019/2020). Of the Kes. 137,088,879.31 expected from the Board, Kes. 88,000,000.00 had been disbursed as at 30th June, 2021. This represents 64.19% of the total amount expected. The total allocation was expected to fund National Government projects in sectors like Education, Bursaries, Environment, Sports and Security projects besides administration and other statutory all classified under compensation of employees, use of goods and services, transfer to other government units and grants and transfers and expressed below:

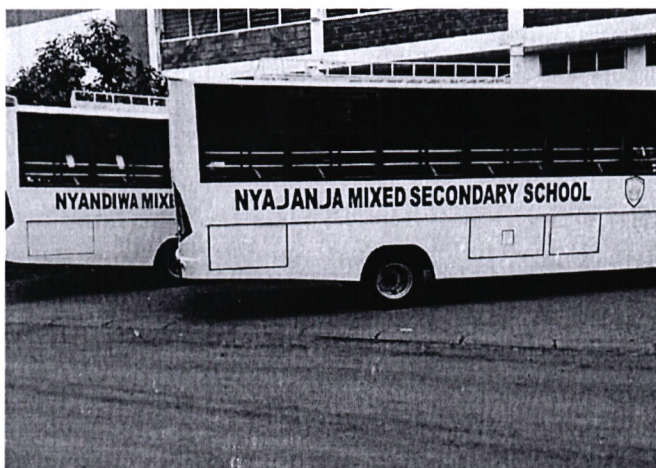


Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

During the financial year, the Rangwe NG-CDF managed to implement 4 security projects to completion with a mega one (Rangwe Sub - County Headquarters) still on-going. The management expects to complete it in the next financial year. The management has as well completed 16 primary school projects out of which 10 are complete and in use while the remaining 6 are at finishes stages. We have 12 secondary school projects which comprises of 7 school buses of which 2 are already delivered. As of bursaries, the management has funded over 3,000 students in secondary schools, 2400 in tertiary institutions and slightly below 100 in special schools.



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



Emerging issues like political, social, economic, legal and global challenges influence implementation of NG-CDF projects. Other issues include late disbursement of funds, re-allocations and late approval of projects. As at 30th June, 2021, the Board had not disbursed Kes. 49,088,879. This is a challenge in implementation of projects.

Signature

CHAIRMAN, RANGWE -NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

Rangwe Constituency, in its quest to achieve economic growth and development, food security, quality education and healthcare, relies on its strengths including and not limited to the following to achieve;

- Active and literate youthful population
- Existing and improving road infrastructure
- A rich pool of professionals with diverse expertise and connections
- Favourable climatic conditions for agriculture
- Diversified economic activities (fishing and agriculture)
- Existing and improving educational infrastructure
- Existing talents in sports and arts

The Rangwe NG-CDF Committee in its strategic plan 2018-2022, outlined objective on how and where development initiatives detected in the above areas would be implemented for the good and benefit of the constituents who are the major stakeholders. It is expected that all these implemented would achieve development on quality education, security, environmental and water conservation and healthcare.

The key development objectives of NGCDF- Rangwe Constituency's 2018-2022 plan are to:

Key development objectives as per the Rangwe NG-CDF Strategic Plan 2018 - 2020 include;

a) Education

Ensure that existing infrastructures are improved and where they lack modern ones are initiated. This would go a long way in improving enrolment, improve performance among learners and reduce dropout rates. The Rangwe NG-CDF ensures 100% transition to secondary schools and tertiary / colleges / universities through our bursary programme that sponsors bright but vulnerable students fully throughout their education.

b) Security

Security being a crucial aspect of our day to day lives, the Rangwe NG-CDF has put major emphasis towards equipping and facilitating Administration Police, ACC, Chiefs and other security agencies through improving their infrastructure.

c) Environment, Water and Sanitation

The committee has for sometime conducted tree planting exercise as a major environmental conservation method but has incorporated other measures like construction of latrines, fencing and distribution and installation of water tanks. The activities have proved conserve environment and ensure water conservation and sustainability in the Constituency.

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

d) Sports

Existing sports clubs and special groups are identified and empowered through sports; an important activity that has proven to bring people together. Through sports, youths are identified and empowered thus reducing dependency and other social evils.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	<ul style="list-style-type: none"> - Reduce No. of dropouts - Improve performance - Increase enrolment - Ensure 100% transition to the next level 	Improve existing infrastructure and develop new once to enhance conducive learning environment to learners	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 20/21 <ul style="list-style-type: none"> - we constructed 12 new classrooms in primary schools and another 8 in secondary schools besides 7 school buses for secondary schools of which 2 have already been delivered
Security	Equip and facilitate AP's, Chiefs, ACC's and other security agencies in the Constituency	Improve and develop infrastructure to enhance security and service delivery	Number of physical infrastructures developed and improved within the Constituency	<ul style="list-style-type: none"> - 2 chiefs' camps built to completion - 1 AP Line and Police station renovated as planned - The Rangwe Sub - County Headquarters is on-going
Environment	Conservation of environment through conservation of natural resources, improved access to water and sanitation	<ul style="list-style-type: none"> o Facilitate schools and other public institutions with water and improved / 	<ul style="list-style-type: none"> o Number of water tanks distributed and installed in public institutions o Number of sanitation facilities 	30,000 tree seedlings planted as planned

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

		developed sanitation ○ Tree planting to increase forest cover in public institutions	constructed in public institutions Number of trees planted	
Sports	Empower youth and special groups to develop through sports	Reduced social evils among the youth and special groups	Number of youth groups benefitting through sports programmes	10 new youth groups identified and empowered

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

- a. **Education and Training:** Rangwe 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

Conserving the environment is a responsibility yoked on every responsible citizen of this great nation and beyond as life itself notwithstanding our operations solely depends on how we treat it. The NG-CDF Committee Rangwe commits to conserve the environment through;

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

- Monitoring and continuously improving on environmental performance
- Ensuring that environmental factors are considered during planning and implementation
- Disposing our wastes responsibly
- Recycling paper waste to reduce pollution
- Communicating regularly to stakeholders of our environmental performance
- Facilitating stakeholders with environmental performance tools

3. Employee welfare

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

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

4. Market place practices

Rangwe 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

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

5. Community Engagements-

Rangwe 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.

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting Officer in charge of the NGCDF -Rangwe Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly

Rangwe Constituency

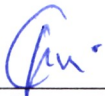
National Government Constituencies Development Fund (NGCDF)

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

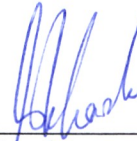
accounted for. Further the Accounting Officer confirms that the constituency 's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-Rangwe Constituency financial statements were approved and signed by the Accounting Officer on 26.05 2022.



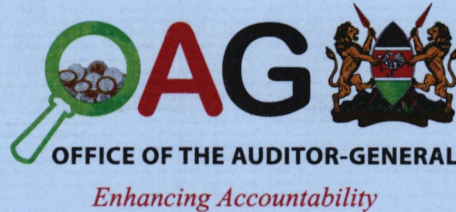
Chairman NGCDF Committee
Name: Charles Awi



Fund Account Manager
Name: Charles Omosa

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Rangwe Constituency set out on pages 17 to 38, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting

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

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

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

Basis for Qualified Opinion

1.0 Unsupported Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers amount of Kshs.92,286,524 as disclosed in Note 5 to the financial statements. The amount includes Kshs.1,000,000 and Kshs.747,354 spent on sports and environment projects respectively. However, supporting documents for the two expenses were not provided for audit.

In the circumstances, the accuracy and completeness of the sports and environment projects expenditure amounting to Kshs.1,747,354 could not be confirmed.

2.0 Unsupported Expenditure on Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets amount of Kshs.6,244,000 as disclosed in Note 6 to the financial statements. The amount relates to purchase of vehicles and other transport equipment however, the procurement documents and payment vouchers were not provided for audit.

In the circumstances, the accuracy and completeness of the expenditure could not be confirmed.

3.0 Inaccuracy of Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.1,194,287. However, examination of bank reconciliation statement for June, 2021 revealed payments in cash book not yet recorded in bank statement of Kshs.14,144,287 which included stale cheques totalling to Kshs.718,746 relating to the previous year.

Further, the reconciliation statement reflected payments in bank statement not yet recorded in the cash book amounting to Kshs.2,076,205 which included payments of Kshs.342,428 relating to previous years. The Management has not investigated what these payments related to.

In addition, payments in bank not yet recorded in cash book of Kshs.2,076,205 included payments amounting to Kshs.623,458 that were not dated and it was not possible to establish when these payments were made.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,194,287 could not be confirmed.

4.0 Misstatement of Previous Year's Outstanding Disbursements

The summary statement of appropriation reflects previous years' outstanding disbursements receipt amount of Kshs.66,467,724 which differs with corresponding budget utilization difference amount of Kshs.86,586,844 reported in the audited summary statement of appropriation for the previous year, resulting to unreconciled variance of Kshs.20,189,120.

As a result, the accuracy and completeness of the previous years' outstanding disbursements amount of Kshs.66,467,724 could not be confirmed.

5.0 Summary of Fixed Assets Register

Annex 2 summary of fixed asset register reflects total cost of fixed assets balance of Kshs.18,538,286. However, the assets register provided for audit lists forty three (43) fixed assets out of which, only nine (9) assets had values totalling to Kshs.21,741,286 and thirty four (34) had no values.

In the circumstances, the accuracy of the assets amount of Kshs.18,538,286 as disclosed in Annex 2 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final budgeted receipts of Kshs.243,475,897 and actual receipts of Kshs.192,687,018, resulting to a budget underfunding of Kshs.50,788,879 or 21% of the budget. Similarly, the statement reflects payments of Kshs.189,860,030 against an approved budget of Kshs.243,475,897, resulting to an under-expenditure of Kshs.53,615,867 or 22% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report for the previous year, a number of paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance, as detailed in the progress on follow up of auditor's recommendations section of the financial statements. However, Management had

not resolved the issues and no satisfactory reasons were provided for the delay in resolving them.

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. Outstanding Temporary Imprest

The statement of assets and liabilities reflects accounts receivables balance of Kshs.1,896,800 as disclosed in Note 8 to the financial statements. The balance of Kshs.1,896,800 is for six (6) imprests held by one officer. This was contrary to Section 93(8) of the Public Finance Management (National Government) Regulations, 2015, which provides that in order to effectively and efficiently manage and control the issue of temporary imprests, an accounting officer or AIE holder shall ensure that no second imprest is issued to any officer before the first imprest is surrendered or recovered in full from his or her salary.

In the circumstances, Management was breach of the law.

2. Discrepancies in Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects transfers to other Government units balance of Kshs.75,326,243. However, the following unsatisfactory matters were noted:

2.1 Renovation of Classrooms at Wikoteng Primary School Project

The balance includes transfers to primary schools amount of Kshs.37,100,000 which includes Kshs.2,000,000 spent on renovation of four classrooms at Wikoteng Primary School at a contract sum of Kshs.2,146,202. However, the contract agreement provided for audit, dated 10 May, 2021, did not include the name of the school and the contract period. Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

In addition, the BQ indicated that roofing was to be done with 412 iron sheets gauge 30, pre-painted box profiled iron sheets costing Kshs.556,200; rainwater harvesting gutters were to be fixed to the roof at a cost of Kshs.37,630. However, audit inspection carried out in the month of April, 2022 revealed that only 220 iron sheets costing Kshs.297,000 were used and rainwater harvesting gutters were not fixed. The floor of the four classrooms had developed deep cracks and the wall also had cracks, chippings and faded painting an indication of poor workmanship and poor quality of materials used.

In the circumstance, value for money and propriety of the expenditure of Kshs.2,000,000 could not be confirmed.

2.2 Construction of Classrooms at Lwanda Kodote Primary School

The transfers to primary schools amount of Kshs.37,100,000 includes an amount of Kshs.4,000,000 spent on construction of four classrooms to completion at Lwanda Kodote Primary School at a contract sum of Kshs.4,620,567. However, it was noted that the contract agreement provided for audit, dated 10 May, 2021 was not signed by the PMC and did not include the name of the school where the construction of the four classrooms was to be done and the contract period.

Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

The BQ indicated that roofing was to be done with 412 iron sheets gauge 30, pre-painted box profiled iron sheets and 40 450mm wide ridge Covers at a total cost of Kshs.524,520; rainwater harvesting gutters were to be fixed to the roof at a cost of Kshs.31,950; floor finishes were to be done at a cost of Kshs.94,800; and wall finishes were to be done at a total cost of Kshs.215,040. However, audit inspection carried out in the month of April, 2022 revealed that 176 iron sheets and 17 ridge covers costing approximately Kshs.224,010 were used for roofing; rainwater harvesting gutters did not exist; floor surfaces of the four classrooms had developed deep cracks and trenches filled with dust; and there were cracks, chippings and faded painting on the wall surfaces. These were indications of poor workmanship and poor quality of materials used.

In the circumstances, value for money and the propriety of the expenditure of Kshs.4,000,000 could not be confirmed.

2.3 Renovation of Classrooms at Nyakwadha Primary School

The transfers to primary schools amount of Kshs.37,100,000 also includes Kshs.2,000,000 spent on renovation of four classrooms to completion: re-roofing, windows and doors fixing, wall plastering and paintings at Nyakwadha Primary School at a contract sum of Kshs.2,001,702.

However, the contract agreement dated 23 September, 2020 provided for audit did not indicate the contract period. Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

Further, although the BQ indicated that roofing was to be done with 420 iron sheets fixed with roofing nail, 34 galvanized iron ridge and valley covers and 1 set of extra over roof covering for rubber caps on all nails at a total cost of Kshs.605,800, audit inspection of the project in the month of April, 2022 revealed that the roofing was done with 142 iron sheets, 12 galvanized iron ridges and valley covers and normal headed nails at an approximate total cost Kshs.200,100. Further, although the BQ indicates that Kshs.58,500 was to be spent on 13 roofing column supports, audit inspection found no roofing column supports in place. In addition, the inspection revealed that

deep cracks and trenches, filled with dust had developed on the surfaces of the floors of the four classrooms and there were chippings and faded painting on the wall surfaces, an indication of poor workmanship and poor quality of materials used.

In the circumstances, value for money and propriety of the expenditure of Kshs.2,000,000 could not be confirmed.

2.4 Renovation of Classrooms at Nyandema Primary School

The transfers to primary schools amount of Kshs.37,100,000 further includes Kshs.3,000,000 spent on renovation of six (6) classrooms to completion including re-roofing, windows and doors fixing, wall plastering and paintings at Nyandema Primary School at a contract sum of Kshs.3,3,099,750.

However, the contract agreement dated 10 May, 2021 provided for audit did not indicate the name of the school where the renovation of the six classrooms was to be carried out and the contract period. Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

According to the BQ, roofing was to be done with 618-gauge 30 pre-painted box profiled roof sheet covers, fixed with roofing nail to match and 58 450mm wide ridge cover at a cost of Kshs.939,600 and fixing of rainwater harvesting gutters to the fascia board of roof was to cost Kshs.54,650. However, audit inspection carried out in the month of April, 2022 revealed that 308 iron sheets and 29 wide ridge covers with total approximate cost of Kshs.468,350 were used, rainwater harvesting gutters were not fixed and the surfaces of the verandas and floors inside the classrooms had worn out.

In the circumstances, value of money and the propriety of the expenditure of Kshs.3,000,000 could not be confirmed.

2.5 Renovation of Classrooms at Othoro Primary School

The transfers to primary schools amount of Kshs.37,100,000, in addition, includes Kshs.2,000,000 spent on renovation of four (4) classrooms to completion at Othoro Primary School at a contract sum of Kshs.2,000,000. However, the contract agreement provided for audit, dated 2 September, 2020, did not indicate the contract period, while procurement documents and signed bank guarantee for advance payment were not provided for audit.

Further, the BQ indicated that roofing was to be done with 420 30-gauge, pre-painted galvanized covering sheets laid and nailed to timber purlins (m/s), 34 galvanized iron ridge and valley covers and one set of extra over roof covering for rubber caps on all nails at a total cost of Kshs.605,800 and that Kshs.58,500 was to be spent on 13 roofing column supports. Audit inspection carried out on 7 April, 2022 revealed that 176 iron sheets, 14 galvanized iron ridge and valley covers with a total cost of Kshs.247,400 and 11 roofing column supports costing Kshs.49,500 were used. The audit inspection also revealed that the internal wall surfaces had cracks, chippings and faded painting, and the surfaces of the verandas and floors inside the classrooms had potholes, trenches and chippings. These were indications of poor workmanship and poor quality of materials used.

In the circumstances, value of money and propriety of the expenditure of Kshs.2,000,000 could not be confirmed.

2.6 Construction of Classrooms at Wang'apala Kolielo Primary School

The transfers to primary schools amount of Kshs.37,100,000 includes Kshs.1,500,000 spent on completion of three (3) classrooms started by the community to roofing level including roofing, windows and doors fixing, wall plastering and paintings at a contract sum of Kshs.1,592,790. However, the contract agreement provided for audit dated 2 September, 2020, did not indicate the contract period. Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

Although the BQ indicated that roofing was to be done with 309 gauge 30, pre-painted box profiled iron sheets and 29 450mm wide ridge covers at a total cost of Kshs.392,910 and that Kshs.26,120 was to be spent on fixing rainwater harvesting gutters. Audit inspection carried out on 6 April, 2022 revealed that 165 iron sheets and 16 ridge covers costing Kshs.224,010 were used and the rainwater harvesting gutters were not fixed. The audit inspection also revealed that the surfaces of the verandas and floors inside the classrooms had potholes and trenches.

In the circumstances, value for money and propriety of the expenditure of Kshs.1,500,000 could not be confirmed.

2.7 Construction of Classrooms at Sango Gem Primary School

The transfers to primary schools amount of Kshs.37,100,000 further includes Kshs.2,000,000 spent on completion of four (4) classrooms to roofing level entailing roofing, windows and doors fixing, wall plastering and paintings at a contract sum of Kshs.2,311,634. However, the contract agreement provided for audit, dated 10 May, 2020, did not indicate the contract period. Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

Although the BQ indicated that roofing was to be done with 412 gauge 30 repainted, box profiled iron sheets, and 38 450mm wide ridge covers at a total cost of Kshs.523,220 and Kshs.32,350 was to be spent on fixing rainwater harvesting gutters to the fascia board of the roofs, audit inspection carried out on 6 April, 2022 revealed that 165 iron sheets and 16 ridge covers costing Kshs.210,050 were used, and that rainwater harvesting gutters were not fixed.

In the circumstances, value for money and propriety of the expenditure of Kshs.2,000,000 already incurred could not be confirmed.

2.8 Construction of Classrooms at Olusu Primary School

The transfers to primary schools amount of Kshs.37,100,000 in addition includes Kshs.2,000,000 spent on the completion of four (4) classrooms to the roofing level involving roofing, windows and doors fixing, wall plastering and paintings at a contract sum of Kshs.2,311,634. However, the contract agreement provided for audit, dated 10 May, 2021, did not include the name of the school where the works were to take place and the contract period.

Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

According to the BQ, roofing was to be done with 412 gauge 30, pre-painted box profiled iron sheets and 38 450mm wide ridge covers at a total cost of Kshs.32,481. The Formula Not In Table and Kshs.32,481 was to be spent on fixing rainwater harvesting gutters. However, audit inspection carried out on 6 April, 2022 revealed that 165 iron sheets and 16 ridge covers costing Kshs.391,580 were used, and the rainwater harvesting gutters were not fixed.

In the circumstances, value for money and propriety of the expenditure of Kshs.2,000,000 could not be confirmed.

2.9 Construction of Classrooms at Otweyo Primary School

The transfers to primary schools amount of Kshs.37,100,000 includes Kshs.2,000,000 spent on renovation of four (4) classrooms at a contract sum of Kshs.2,000,000. However, the contract agreement provided for audit dated 10 May, 2020, did not indicate the contract period.

Further, procurement documents, including invitation to tender, bids submitted, signed tender opening minutes, signed evaluation report, professional opinion, letter of notification of award, signed form of tender security, signed performance guarantee and signed bank guarantee for advance payment were not provided for audit.

According to the BQ, roofing was to be done with 420 30-gauge, pre-painted galvanized covering sheets laid and nailed to timber purlins, 34 galvanized iron ridge and valley covers and one set of extra over roof covering for rubber caps on all nails at a total cost of Kshs.605,800 and that Kshs.36,000 was to be spent on 8 roofing column supports. However, audit inspection revealed that 220 iron sheets, 20 galvanized iron ridge and valley covers with total cost Kshs.311,000, and 6 roofing column supports costing Kshs.27,000 were actually used.

In the circumstances, value for money and propriety of the expenditure of Kshs.2,000,000 could not be confirmed.

3. Inconsistencies in Other Grants and Transfers

3.1 Bursary Applications

The statement of receipts and payments reflects other grants and transfers amount of Kshs.92,256,524 as disclosed in Note 5 to the financial statements, which includes an amount of Kshs.25,709,170 spent on bursaries. However, information provided indicates that no official advertisement or notice was issued to the public to inform them on where and when the bursary applications were to be done, contrary to the provisions of Regulation 11(1) (a) of the National Government Constituencies Development Fund Regulations, 2016, which requires a Constituency Committee to sensitize the community on the operations of the Fund. Further, Management never maintained a bursary register of all applicants during the year under review.

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

3.2 Construction of Rangwe Sub County Headquarters

The other grants and transfers amount of Kshs.92,256,524 includes expenditure on security projects of Kshs.56,700,000 out of which, an amount of Kshs.50,000,000 was spent on construction of Rangwe Sub-County headquarters at a contract sum of Kshs.60,961,670 for a period of eighteen (18) months ending on 22 April, 2022. After construction had begun, the contractor requested for variation of the building structure dated 10 June, 2021, but the request was not responded to. This necessitated demolition of part of the building that had been put up. However, approval from the project manager of the line Ministry for the variation was not provided for audit.

Audit inspection carried out on 7 April, 2022 revealed that the superstructure had only the pillars and beams done with no possibility of completion within the contract period ending on 22 April, 2022.

In the circumstances, the value for money of the expenditure of Kshs.50,000,000 could not be confirmed.

4. Lack of a Procurement Plan

The Management did not provide an approved procurement plan and work plan for audit, contrary to the requirements of Regulation 25(1 & 2) of the National Government Constituencies Development Fund Regulations, 2016 which requires the officer of the Board seconded to the constituency to prepare a detailed budget, procurement plan and work plan for the year and within the first quarter of the new financial year present them to the committee for approval.

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

5. Failure to Insure Fixed and Movable Assets

Information provided indicates that the Fund had not been insuring fixed and movable assets costing Kshs.18,538,286, reflected in Annex 2 to the financial statements. This is contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015, which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

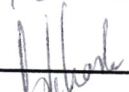
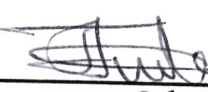

30 September, 2022

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

VII.STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020 -2021	2019 - 2020
		Kshs.	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	152,767,724	119,940,876
TOTAL RECEIPTS		152,767,724	119,940,876
PAYMENTS			
Compensation of employees	2	7,773,448	3,198,141
Use of goods and services	3	8,229,815	12,369,430
Transfers to Other Government Units	4	75,326,243	47,732,075
Other grants and transfers	5	92,286,524	26,343,484
Acquisition of Assets	6	6,244,000	-
TOTAL PAYMENTS		189,860,030	89,643,130
SURPLUS/DEFICIT		(37,092,306)	30,297,746

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Rangwe Constituency financial statements were approved on 26/05 2022 and signed by:

		
_____ Fund Account Manager	_____ National Accountant	_____ Sub-County Chairman Committee
		_____ NG-CDF

Name: Charles Omosa

Name: Michael Gudah
ICPAK M/No: 20477

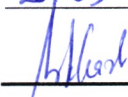
Name: Charles Awi

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

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021


	Note	2020 -2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	1,194,287	9,919,294
Total Cash and Cash Equivalents		1,194,287	39,919,294
Accounts Receivable			
Outstanding Imprests	8	1,896,800	-
TOTAL FINANCIAL ASSETS		3,091,087	39,919,294
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Gratuity	9	-	1,004,400
NET FINANCIAL SSETS		3,091,087	38,914894
REPRESENTED BY			
Fund balance b/fwd 1st July...	10	39,919,294	8,750,881
Prior year adjustments	11	264,100	870,667
Surplus/Defict for the year		(37,092,306)	30,297,746
NET FINANCIAL POSITION		3,091,087	39,919,294

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF--Rangwe Constituency financial statements were approved on 26/05 2022 and signed by:




Fund Account Manager

Name: Charles Omosa



National Sub-County Accountant

Name: Michael Gudah
ICPAK M/No: 20477



Chairman Committee NG-CDF

Name: Charles Awi

Rangwe Constituency

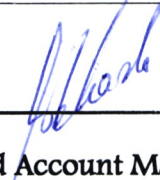
National Government Constituencies Development Fund (NGCDF)

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

IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021


	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	152,767,724	119,940,876
		152,767,724	119,940,876
Payments for operating activities			
Compensation of Employees	2	7,773,448	3,198,141
Use of goods and services	3	8,229,815	12,369,430
Transfers to Other Government Units	4	75,326,243	47,732,075
Other grants and transfers	5	92,286,524	26,343,484
		183,616,030	89,643,130
Adjusted for:			
Decrease/(Increase) in Accounts receivable	8	(1,896,800)	-
Prior year Adjustments		264,100	870,667
Net Adjustments		(1,632,700)	870,667
Net cash flow from operating activities		(32,481,006)	31,168,413
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(6,244,000)	-
Net cash flows from Investing Activities		(6,244,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(38,725,007)	31,168,413
Cash and cash equivalent at BEGINNING of the year	7	39,919,294	8,750,881
Cash and cash equivalent at END of the year		1,194,287	39,919,294

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Rangwe Constituency financial statements were approved on 26.05 2022 and signed by:




Fund Account Manager

Name: Charles Omosa



National Sub-County
Accountant

Name: Michael Gudah
ICPAK M/No: 20477



Chairman
NG-CDF
Committee

Name: Charles Awi

X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30 JUNE 2021

Receipts/Payments	Original Budget a	Adjustments		Final Budget d=a+b+c	Actual on comparable basis e	Budget utilization difference f=d-e	% of Utilization f=e/d %
		b	c				
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	2020/2021	Kshs	
	Kshs		Kshs	Kshs	Kshs	Kshs	
RECEIPTS							
Transfers from NGCDF Board	137,088,879	39,919,294	66,467,724	243,475,897	192,687,018	50,788,879	79%
TOTALS	137,088,879	39,919,294	66,467,724	243,475,897	192,687,018	50,788,879	79%
PAYMENTS							
Compensation of Employees	7,430,808	604,890	847,000	8,882,698	7,773,448	1,109,250	88%
Use of goods and services	4,907,190	1,998,404	1,500,047	8,405,641	8,229,815	175,826	98%
Transfers to Other Government Units	78,200,000	10,616,000	21,300,000	110,116,000	75,326,243	34,789,757	68%
Other grants and transfers	46,550,881	26,700,000	36,520,677	109,771,558	92,286,524	17,485,034	84%
Acquisition of Assets	-	-	6,300,000	6,300,000	6,244,000	56,000	99%
TOTALS	137,088,879	39,919,294	66,467,724	243,475,897	189,860,030	53,615,867	78%
SURPLUS/DEFICIT	-	-	-	-	2,826,988	(2,826,988)	


Note: We couldn't reach the desired 100% utilization due to late disbursement of funds by the NG-CDF Board.

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

Description	Amount (Kshs)
Budget utilisation difference totals	53,615,867
Less undisbursed funds receivable from the Board as at 30 th June 2021	(50,788,879)
Add Accounts payable	0
Less Accounts Receivable	(1,896,800)
Add/Less Prior Year Adjustments	264,100
Cash and Cash Equivalents at the end of the FY 2020/2021	1,194,288

The NGCDF-Rangwe Constituency financial statements were approved on

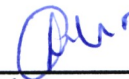
25/05/2022



Fund Account Manager
Name: Charles Omosa



National
Accountant
Name: Michael Gudah
ICPAK M/No: 20477



Sub-County
Chairman NG-CDF Committee
Name: Charles Awi

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30 JUNE 2021

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent						
1.1 Compensation of employees	7,430,808	604,890	847,000	8,882,698	7,773,448	1,109,250
1.2 Committee allowances	400,000	650,404	264,789	1,315,193	1,326,578	(11,385)
1.3 Use of goods and services	394,525	250,000	349,980	994,505	1,832,015	(837,510)
Sub-Total	8,225,333	1,505,294	1,461,769	11,192,396	10,932,041	260,355
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000	457,893	589,791	2,547,684	2,089,791	457,893
2.2 Committee allowances	1,500,000	289,879	149,899	1,939,778	1,898,765	41,013
2.3 Use of goods and services	1,112,665	350,228	145,588	1,608,481	1,112,666	495,815
Sub-Total	4,112,665	1,098,000	885,278	6,095,943	5,101,222	994,721
3.0 Emergency						
3.1 Primary Schools	7,192,207	1,700,000	392,241	9,284,448	8,100,000	1,184,448
Sub-Total	7,192,207	1,700,000	392,241	9,284,448	8,100,000	1,184,448
4.0 Bursary and Social Security						
4.1 Secondary Schools	14,900,000	-	5,000,000	19,900,000	19,141,170	758,830
4.2 Tertiary Institutions	10,800,000	-	1,605,024	12,405,024	6,533,000	5,872,024
4.4 Special Needs	572,220	-	-	572,220	35,000	537,220
Sub-Total	26,272,220	-	6,605,024	32,877,244	25,709,170	7,168,074
5.0 Sports						
5.1	2,244,676	-	76,058	2,320,734	1,000,000	1,320,734
Sub-Total	2,244,676	-	76,058	2,320,734	1,000,000	1,320,734
6.0 Environment						

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.1 Environment	2,741,778	-	747,354	3,489,132	747,354	2,741,778
7.0 Primary Schools Projects (List all the Projects)	2,741,778	-	747,354	3,489,132	747,354	2,741,778
Ariwa Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Asumbi Mixed Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Atili Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Gul Kagembe Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Kirongo Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Kotora Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Koyoo Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Lwanda Kodote Primary School	4,000,000	-	-	4,000,000	4,000,000	-
Nzegu Primary School	500,000	-	-	500,000	500,000	-
Nyachar Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Nyandema Primary School	3,000,000	-	-	3,000,000	3,000,000	-
Nyawawa Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Nyawita Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Obuya Primary School	2,500,000	-	-	2,500,000	-	2,500,000
Odiinya Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Oluso Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Ongeti Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Pundo Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Rabuor Kaura Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Rangwe Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Sango Gem Primary School	2,000,000	-	-	2,000,000	2,000,000	-

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Tar Primary School	1,000,000	-	-	1,000,000	1,000,000	-
Wangápala Kolielo Primary School	1,500,000	-	-	1,500,000	1,500,000	-
Wikoteng' Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Aoch Muga Primary School	-	1,000,000	-	1,000,000	1,000,000	-
Aora Chak - Koga Pri School Road	-	-	1,500,000.00	1,500,000	1,500,000	-
Nyakwadha Primary School	-	-	2,000,000.00	2,000,000	2,000,000	-
Obunga Primary School	-	-	2,000,000.00	2,000,000	2,000,000	-
Othoro Primary School	-	-	2,000,000.00	2,000,000	2,000,000	-
Otweyo Primary School	-	-	2,000,000.00	2,000,000	2,000,000	-
Rabuor Ponge Primary School	-	-	1,000,000.00	1,000,000	1,000,000	-
Store Pamba - Ongoro Primary School Road	-	-	1,600,000.00	1,600,000	1,600,000	-
Store Pamba - Ongoro Primary School Road	-	-	2,000,000.00	2,000,000	2,000,000	-
Omoche Market - Nyambare Primary School	-	-	400,000.00	400,000	-	400,000
Nyabola Primary School	-	-	2,000,000.00	2,000,000	2,000,000	-
Sub-Total	42,500,000	1,000,000	16,500,000	60,000,000	37,100,000	22,900,000
9.0 Tertiary institutions Projects (List all the Projects)						
Achego Mixed Secondary School	7,100,000	-	-	7,100,000	4,000,000	3,100,000
Angiro Mixed Secondary School	5,500,000	-	-	5,500,000	4,000,000	1,500,000
Aoch Muga Secondary School	5,500,000	-	-	5,500,000	4,000,000	1,500,000
God Marera Mixed Secondary School	5,500,000	-	-	5,500,000	4,000,000	1,500,000
Nyopuge Mixed Secondary School	2,000,000	-	-	2,000,000	2,000,000	-
St. Mary's Kachar Girls Secondary	7,100,000	-	-	7,100,000	4,000,000	3,100,000

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
School						
Ludhe Dongo Mixed Secondary School	3,000,000	-	-	3,000,000	1,810,243	1,189,757
God Bondo Secondary School	-	-	2,000,000	2,000,000	2,000,000	-
Kenya Coaches Industries	-	16,000	-	16,000	16,000	-
Nyajanja Mixed Secondary School	-	4,800,000	-	4,800,000	4,800,000	-
Nyandiwa Mixed Secondary School	-	4,800,000	-	4,800,000	4,800,000	-
Onyege Secondary School	-	-	800,000	800,000	800,000	-
Sinogo Secondary School	-	-	2,000,000	2,000,000	2,000,000	-
Sub-Total	35,700,000	9,616,000	4,800,000	50,116,000	38,226,243	11,889,757
10.0 Security Projects						
Kotieno Chief's Camp	1,500,000	-	-	1,500,000	-	1,500,000
Ndiru Police Post	3,600,000	-	-	3,600,000	-	3,600,000
Rangwe A.P. Line	3,000,000	-	-	3,000,000	3,000,000	-
Rangwe Sub - County Headquarters	-	25,000,000	-	25,000,000	25,000,000	-
Rangwe AP Line	-	-	1,000,000	1,000,000	1,000,000	-
Manyatta Chief's Camp	-	-	1,000,000	1,000,000	1,000,000	-
Rangwe Police Station	-	-	1,700,000	1,700,000	1,700,000	-
Rangwe Sub - County Headquarters	-	-	25,000,000	25,000,000	25,000,000	-
Sub-Total	8,100,000	25,000,000	28,700,000	61,800,000	56,700,000	5,100,000
11.0 Acquisition of assets						
11.1 Motor Vehicles	-	-	6,300,000	6,300,000	6,244,000	56,000
Sub-Total	-	-	6,300,000	6,300,000	6,244,000	56,000
12.0 Other payments						
Grand-Total	137,088,879	39,919,294	66,467,724	243,475,897	189,860,030	53,615,867

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

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

XII.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-Rangwe 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

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

are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

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

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.

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

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
B 047187	1		26,940,876
B 041189	2		4,000,000
B 047640	3		20,000,000
B 049159	4		6,000,000
B 104077	5		15,000,000
B 049215	6		25,000,000
B 104457	7		23,000,000
B 096812	1	6,300,000	
A 823714	2	35,000,000	
B 104746	3	20,000,000	
B 128015	4	13,000,000	
B 119625	5	10,000,000	
B 132018	6	6,000,000	
B 132312	7	6,000,000	
B 128257	8	6,900,000	
B 105068	9	10,000,000	
B 124651	10	9,000,000	
B 126273	11	6,100,000	
B 104833	12	8,367,724	
B 138981	13	13,000,000	
B 104886	14	3,100,000	
TOTAL		152,767,724	119,940,876

2. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,108,768	3,073,041
Gratuity to contractual employees	3,489,600	-
Employer Contributions Compulsory NSSF Scheme	175,080	125,100
Total	7,773,448	3,198,141

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

3. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	-	124,000
Communication, supplies and services	41,450	-
Domestic travel and subsistence	-	865,000
Printing, advertising and information supplies & services	-	245,000
Training expenses	1,282,800	1,400,000
Other committee expenses	1,880,000	3,889,000
Committee allowance	2,266,000	3,615,000
Office and general supplies and services	987,616	661,430
Fuel, oil & lubricants	1,300,000	1,330,000
Routine maintenance - vehicles and other transport equipment	365,000	200,000
Routine maintenance- other assets	106,950	40,000
Total	8,229,816	12,369,430

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	37,100,000	20,700,000
Transfers to secondary schools (see attached list)	38,226,243	25,032,075
Transfers to tertiary institutions (see attached list)	-	2,000,000
TOTAL	75,326,243	47,732,075

5. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools	19,171,170	10,548,500
Bursary – tertiary institutions	6,533,000	3,313,000
Bursary – special schools	35,000	114,000
Security projects	56,700,000	2,806,349
Sports projects	1,000,000	3,980,818
Environment projects	747,354	2,180,817
Emergency projects	8,100,000	3,400,000
Total	92,286,524	26,343,484

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

6. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	6,244,000	-
Total	6,244,000	-

7. CASH BOOK BANK BALANCE

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank Kenya Ltd, 0980261940653, Kshs</i>	1,194,287	39,919,294
Total	1,194,287	39,919,294

8. OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Charles Omosa		396,800	-	396,800
Charles Omosa		300,000	-	300,000
Charles Omosa		300,000	-	300,000
Charles Omosa		300,000	-	300,000
Charles Omosa		300,000	-	300,000
Charles Omosa		300,000	-	300,000
Total				1,896,800

9. GRATUITY

	2020-2021	2019-2020
	Kshs	Kshs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	3,489,600	-
Gratuity paid during the Year (C)	(3,489,600)	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

10. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	39,919,294	8,750,881
Total	39,919,294	8,750,881

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

11. PRIOR YEAR ADJUSTMENTS

	Balance B/F FY 2019/2020 as per the audited financial statements	Adjustments	Adjusted Balance B/F 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	9,621,547	264,100	9,885,647
Outstanding imprests	1,896,800	-	-
Total	11,518,347	264,100	11,782,447

12. OTHER IMPORTANT DISCLOSURES

12.1: UNUTILIZED FUND (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,109,250	2,482,321
Use of goods and services	175,826	589,791
Amounts due to other Government entities	34,789,757	38,900,000
Amounts due to other grants and other transfers	17,485,034	61,706,277
Acquisition of assets	56,000	-
Total	53,615,867	102,779,289

12.2: PMC ACCOUNT BALANCES (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances	2,680,201	4,028,024
Total	2,680,201	4,028,024

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

13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the Auditor-General in 2019/2020 FY, 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)
REPORT ON THE FINANCIAL STATEMENTS				
Basis for Qualified Opinion				
1.	<p>Unsupported Use of Goods and Services As disclosed in Note 3 of financial statements, the statement of receipt and payments reflects payments totalling to Kshs.12,369,430 relating to use of goods and services. However, the individual items were not supported by sub – schedules or sub – ledgers.</p> <p>Consequently, the accuracy and completeness of Kshs. 12,369,430 under use of goods and services for the year ended 30th June, 2020 could not be confirmed.</p>	The expenditure has been scheduled accordingly.	Not resolved	30 th June, 2022
2.	<p>Variances Between the Statement of Appropriation and Unutilized Funds The statement of appropriation – recurrent and development combined reflects total budget utilization of Kshs. 116,884,589. However, Note 17.3 on unutilized funds reflects total unutilized fund balances of Kshs. 102,779,289. The resulting difference of Kshs. 14,105,300 between the sets of records have not been explained or reconciled.</p> <p>Consequently, the accuracy and completeness of budget utilization difference of Kshs. 116,884,589 for the year ended 30th June, 2020 could not be confirmed.</p>	Accounts have been corrected and amended appropriately.	Not resolved	30 th June, 2022

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	<p>Inaccuracies in the Statement of Budget Execution by Programmes and Sub- Programmes</p> <p>The statement of budget execution by programs and sub – programs reflects transfers to primary schools amounting to Kshs. 20,700,000. The balance does not include Kshs. 3,000,000 transfers to two schools which are supported by the payment schedules. On the other hand, the statements include Kshs. 2,500,000 transfers to two schools which are not supported by payment schedules.</p> <p>Consequently, the accuracy and completeness of statement of budget execution by programs and sub – programs for the year ended 30th June, 2020 could not be confirmed.</p>	<p>Accounts have been adjusted appropriately and every item scheduled</p>	Not resolved	30 th June, 2022
Other Matter				
1.	<p>Budgetary Control and Performance</p> <p>The statement of budget and actual amount for the year ended 30 June, 2020 reflects Kshs.206,527,719 and Kshs.119,940,876 in respect to budgeted revenue and actual receipts respectively . This translates to an under -realization of Kshs.86,586,844 or 42% of the budget. In addition, the statement of comparison of budget and actual amounts reflects Kshs.206,527,719 and Kshs.89,643,130 in respect of budgeted and actual payments respectively resulting to under absorption of Kshs.119,648,564 or 47 % of the budget.</p> <p>The under-realization and under-expenditure affected</p>	<p>The underutilization was as a result of late disbursement of funds by the NG-CDF Board. The management is working in strategy to ensure that amount disbursed is fully utilized before close of financial year.</p>	Not resolved	30 th June, 2022

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	<p>the planned activities and may have impacted negatively on service delivery to the residents of Rangwe Constituency.</p> <p>The Project Implementation Status indicated that projects with estimated cost of Kshs. 80,547,354 were not implemented during the year. This was attributed to underfunding by the NG-CDF Board.</p> <p>Failure by the Board to fund the projects on time affected implementation of planned projects and may have impacted negatively on service delivery to the residents of Rangwe Constituency.</p>	<p>The underutilization was as a result of late disbursement of funds by the NG-CDF Board.</p>	Not resolved	30 th June, 2022
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
Basis for Conclusion				
1.	<p>Implementation of Emergency Projects As disclosed in Note 7 to the financial statements, the statement of receipt and payments reflects other grants and other payments of Kshs. 24,924,482 out of which Kshs. 3,400,000 is in respect of emergency projects. However, the requests for the emergency funds by the schools and NG-CDF committee minutes approving the utilization of the emergency funds were not provided for audit for audit verifications.</p> <p>In addition, expenditure records including bills of quantities, the quotations, purchase orders, delivery notes, invoices, inspection and acceptance minutes, payment vouchers and bank statements were not presented for audit.</p>	<p>The cases being emergency in nature, were implemented pending ratification including notifying the Board on utilization of emergency funds.</p>	Not resolved	30 th June, 2022

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Further, there was no evidence to indicate that the utilization of the emergency reserve was reported to the Board within 30 days of the occurrence of the emergency as required by Regulation, 20 (2) of the National Government Constituency Development Fund Regulations, 2016.</p> <p>Consequently, the regularity and propriety of the emergency projects of Kshs. 3,400,000 could not be confirmed.</p>			
2.	<p>Lack of a Procurement Plan Procurement plan and work plan were not prepared and approved contrary to Regulations 25 (1&2) of the National Government Constituency development Fund Regulations, 2016 which requires that the officer of the Board seconded to the Constituency to prepare a detailed budget, procurement plan and work plan for the year and present them to the committee for approval.</p> <p>Consequently, the management was in breach of the law.</p>	<p>The management prepared annual work plan and annual procurement plan but failed to present the same to the Board for approval. The management intends to prepare work plan and procurement plan in subsequent years and ensure the same is table before the committee and later to the Board for approval.</p>	Not resolved	30 th June, 2022

Fund Account Manager
Name: Charles Omosa

Chairman NG-CDF Committee

Name: Charles Awii

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

ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Payment of staff salaries	1,109,250	2,482,321	
Use of goods & services	Committee Allowances	145,822	589,791	
Amounts due to other Government entities				
Primary Schools			22,200,000	
Ariwa Primary School	Fencing	1,000,000		
Asumbi Mixed Primary School	Renovation 4 classrooms	2,000,000		
Atili Primary School	Construction of 1 clrm	1,000,000		
Gul Kagembe Primary School	Renovation 2 classrooms	1,000,000		
Kirongo Primary School	Renovation 4 classrooms	2,000,000		
Kotora Primary School	Renovation 4 classrooms	2,000,000		
Nyawawa Primary School	Completion of 3 classrooms	1,500,000		
Nyawita Primary School	Renovation 3 classrooms	1,500,000		
Obuya Primary School	Construction of Admin block	2,500,000		
Odiinya Primary School	Fencing	1,500,000		
Ongeti Primary School	Renovation 4 classrooms	2,000,000		
Pundo Primary School	Construction of 2 classrooms	2,000,000		
Rabuor Kaura Primary School	Renovation of 2 classrooms	1,000,000		
Rangwe Primary School	Completion of 3 classrooms	1,500,000		
Sub-Total		22,500,000		
Secondary Schools			15,900,000	
Achego Mixed Secondary School	Purchase of school bus	4,034,000		
Angiro Mixed Secondary School	Purchase of school bus	1,900,000		
Aoch Muga Mixed Secondary School	Purchase of school bus	1,900,000		
God Marera Mixed Secondary School	Purchase of school bus	1,900,000		
St. Mary's Kachar Girls Secondary School	Purchase of school bus	4,034,000		
Ludhe Dongo Secondary School	Construction of 2 classrooms	2,221,757		

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

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Sub-Total		15,989,757		
Amounts due to other grants and other transfers		38,489,757	38,000,900	
Security			53,879,600	
Kotieno Chief's Camp	Renovation of Chief's Office	1,500,000		
Ndiru Police Post	Construction of Police Station	3,600,000		
		5,100,000		
Sports	Constituency Sports Tour	1,244,676	76,058	
Environment	Tree planting	2,741,778	747,354	
Bursary		-	6,605,024	
Bursary Tertiary	Bursary payment to needy students	1,969,796		
Bursary Secondary Schools	Bursary payment to needy students	2,497,689		
Bursary Special Schools	Bursary payment to needy students	327,095		
		4,794,580		
Emergency	Unforeseen circumstances	-	398,241	
Sub-Total		13,815,034	61,706,277	
Acquisition of assets				
Purchase of Motor vehicle		-		
Purchase of computers		56,000		
Others (specify)				
Sub-Total		56,000		
Funds pending approval				
Grand Total		53,615,867	102,779,289	

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

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	11,352,286	-	-	11,352,286
Transport equipment	-	6,244,000	-	6,244,000
Office equipment, furniture and fittings	700,000	-	-	700,000
ICT Equipment, Software and Other ICT Assets	210,000	-	-	210,000
Other Machinery and Equipment	32,000	-	-	32,000
Total	12,294,286	-	-	18,538,286

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

ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21 (Kshs)	Bank Balance 2019/20 (Kshs)
Rangwe Constituency Sports Tournament	Equity, HB Branch	0980279317582	2,278	
Gul Kagembe Primary School	Equity, HB Branch	0980262513523	21	
Koyoo Primary School	Equity, HB Branch	0980280832091	44,270	
Ludhe Dongo Primary School	Equity, HB Branch	0980280921810	9,643	
Ngegu Primary School	Equity, HB Branch	0980280830769	4,430	
Nyachar Primary School	Equity, HB Branch	0980262646659	173	
Nyandema Primary School	Equity, HB Branch	0980279676911	188,910	
Oluso Primary School	Equity, HB Branch	0980280831877	28,110	
Rabuor Kaura Primary School	Equity, HB Branch	0980269143049	837	
Sango Gem Primary School	Equity, HB Branch	0980280831552	2,270	
Tar Primary School	Equity, HB Branch	0980280820865	48,310	
Wangápala Kolielo Primary School	Equity, HB Branch	0980280820575	244,270	
Wikoteng' Primary School	Equity, HB Branch	0980280820396	6,700	
Achego Mixed Secondary School	Equity, HB Branch	0980280775476	-	
Angiro Mixed Secondary School	Equity, HB Branch	0980280775356	-	
God Marera Mixed Secondary School	Equity, HB Branch	0980280857087	-	
Nyopuge Mixed Secondary School	Equity, HB Branch	0980280777851	85,990	
St. Mary's Kachar Girls Secondary School	Equity, HB Branch	0980280778689	-	
Rangwe AP Line	Equity, HB Branch	0980271058309	2,005,989	
Rangwe Strategic Plan	Equity, HB Branch	0980277509889	8,000	
Alara Korayo Primary School	Equity, HB Branch	0980279828729		1,068,880
Aoch Muga Primary School	Equity, HB Branch	0980279336916		3,480
Asumbi Mixed Primary School	Equity, HB Branch	0980279832970		1,500,000
God Bondo Primary School	Equity, HB Branch	0980279829883		625,200
Nyakwadha Primary School	Equity, HB Branch	0980279316804		26,682
Nyaliech Primary School	Equity, HB Branch	0980202504403		74,820

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

PMC	Bank	Account number	Bank Balance 2020/21 (Kshs)	Bank Balance 2019/20 (Kshs)
Omoche Primary School	Equity, HB Branch	0980277436678		51,054
Randung Primary School	Equity, HB Branch	0980271901450		260
Chiepe Mixed Secondary School	Equity, HB Branch	0980279834250		530,875
Nyajanja Mixed Secondary School	Equity, HB Branch	0980279807274		0.00
Nyandiwa Mixed Secondary School	Equity, HB Branch	0980264604190		3,825
Wikiteng' Mixed Secondary School	Equity, HB Branch	0980277463518		6,700
Sports Tournament	Equity, HB Branch	0980279317582		108,718
Gem East Chief's Camp	Equity, HB Branch	0980271913401		27,430
West Kochia Chief's Camp	Equity, HB Branch	0980279828417		100
Total			2,680,201	4,028,024