

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY	
DATE: 04 JUL 2023	DAY: WEDNESDAY
TABLED BY:	Hon Owen Baya, MP Deputy leader Majority Party
CLERK AT THE TABLE:	Inzofu Mude

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2022**



MOLO CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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The Molo 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 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mr. Mohamed Hassan
2.	Sub-County Accountant	Mr. Mutisya Nicholas
3.	Chairman NGCDFC	Mrs. Jane Gachathi
4.	Member NGCDFC	Mrs. Milkah Ombati

(d) Fiduciary Oversight Arrangements

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

(e) Molo Constituency NGCDF Headquarters

P.O. Box 37-20106
NG-CDF BUILDING
Molo Dcc's Compound
MOLO, KENYA

***Molo Constituency
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(f) Molo Constituency NGCDF Contacts

Telephone: (254) 59312491
E-mail: cdfmolo@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Molo Constituency NGCDF Bankers

Equity Bank
Molo Branch
P.o Box 927-20106
Molo.

A/c No 0230262025900

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman’s Report

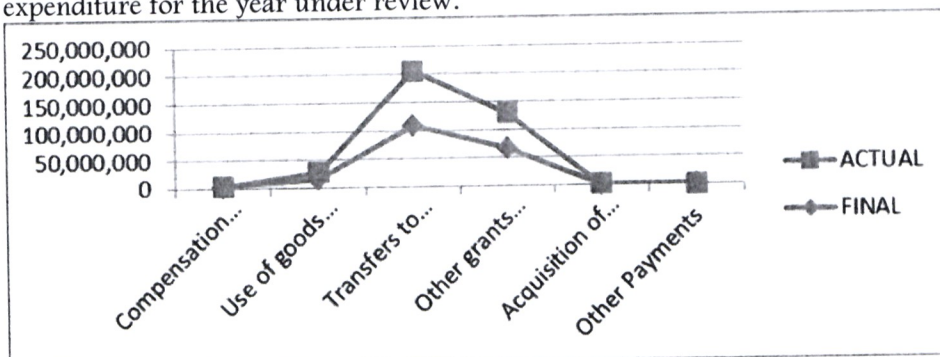


The national government constituency development fund is a statutory fund that has for the years of its existence, helped the public and communities in and around Molo constituency. The education sector in Molo constituency got a big boost because of the impact of the fund in helping schools to come up with structures such as classrooms, laboratories among other essential learning infrastructure, that has for the years helped teachers and students get an improved environment for learning.

The difference between the original budget of 137,088,879 and the final budget of 192,642,924 is because of the opening balance for last year and funds of 33,000,000 for last year received the year under review.

The actual expenditure for the year under review is 174,289,797 against receipt of 192,642,924 resulting to budget underutilization of 18,353,127: the utilization percentage for the constituency is 90.5%, which is significantly fair. The unutilized funds make up the cashbook closing balance of 18,353,127.

By way of comparison, the graph below shows our final expenditure against actual expenditure for the year under review.



There was a great improvement in our budget utilization this year compared to previous. This is because of timely receipt and utilization of the fund by the committee. Our utilization

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rate stands at 90.5%. The committee has put in place measures to complete the projects in to help the public get value for the fund.

However, there are some projects that are still ongoing and few other that have not started yet. This is because the funds for those projects were not received as at the closure of the financial year. The committee is committed to completing those projects once funds are received for the same.


I wholeheartedly believe that this is a fund that would bring the required social-economic development across the country since it touches the lives of the general public directly.

As we submit the financial statement for the financial year that ended 30th June 2022, we greatly believe the statement represents the true reflection of the receipt and payment that happened in the course of the financial year under review.



The constituency did not have many challenges this year compared to last year, when we were greatly affected by Covid 19 pandemic. There are funds for last year part one, that the constituency did not receive as at the end of this financial year. This has greatly affected service delivery to the public, as those projects did not start as at the closure of the year under review.

I recommend for timely disbursement of funds to the constituency so that the public get services in time and feel the real-time effect of the funds.


.....
NAME: MRS JANE GACHATHI
CHAIRMAN NGCDF COMMITTEE

Molo Constituency
National Government Constituencies Development Fund (NGCDF)
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I. Statement of Performance against Predetermined Objectives for FY2021/22

Introduction

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

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

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Developed all of infrastructure in secondary and primary schools across the constituency	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions	In FY 21/22 -we increased number of classrooms to 25 for primary schools and 14 to secondary school classrooms. We also did 5 dormitories for secondary schools. The committee also received and processed applications related to bursaries for needy

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				students to the tune of more than 35m
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve security and service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number chiefs' offices increased by 4 in this current year Number of police lines increased by 2 in this financial year
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Supply tanks to schools for water storage	Number of water tanks supplied and installed in various institutions	Supplied water tanks to at least 4 institutions which helped them store water in those institutions
Sports	Empower and develop youth and special groups.	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting increased from 33 to 40 teams

II. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Molo 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 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

The Molo Ng-cdf has embarked to improve the environment through provision of clean water and planting enough trees in various institutions. Protection of the environment in which we live and operate is part of Molo NG-CDF initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

3. Employee welfare

We invest in providing the best working environment for our employees. Molo 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. Molo 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-

Molo 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 interest

5. Community Engagements-

Molo NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when

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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.

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


.....
Name: MOHAMED HASSAN
FUND ACCOUNT MANAGER

III. 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-Molo Constituency is responsible for the preparation and presentation of the molo's financial statements, which give a true and fair view of the state of affairs of molo for and as at the end of the financial year ended on June 30, 2022. 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-Molo 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 Molo's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Molo Constituency further confirms the completeness of the accounting records maintained for


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the constituency, which have been relied upon in the preparation of molo's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Molo Constituency confirms that the Molo has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the molo'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- Molo Constituency financial statements were approved and signed by the Accounting Officer on 27/04/ 2023.


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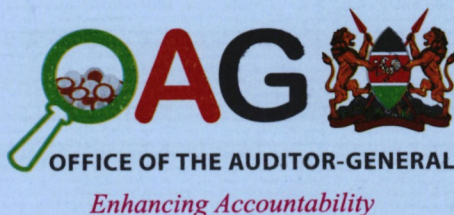
Name: JANE GACHATHI
Chairman – NGCDF Committee


.....

Name: MOHAMED HASSAN
Finance Account Manager

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 - MOLO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall 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 - Molo Constituency set out on pages 1 to 41, which comprise the statement of assets and liabilities as at 30 June, 2022 and the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Molo Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Project Management Committee (PMC) Account Balances

Note 17.4 to the financial statements on other important disclosures reflects Project Management Committee (PMC) account balances totaling to Kshs.41,880,186. However, cash books, bank balance confirmation certificates and bank reconciliation statements for PMC bank accounts were not provided for audit. Further, the balance does not include Project Management Committee (PMC) bank account balances for projects approved and funded since inception of the Fund. It was also not confirmed whether the bank balances for completed projects were surrendered to the main Constituency Fund bank account in compliance with Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

In the circumstances, the accuracy, completeness and existence of Project Management Committee (PMC) bank balances of Kshs.41,880,186 could not be confirmed.

2. Unsupported Summary of Fixed Assets Register

Annex 4 to the financial statements reflects summary of fixed assets register balance of Kshs.32,226,938. The balance includes buildings and structures, and transport equipment of Kshs.26,383,000 and Kshs.4,500,000 respectively. However, ownership records for buildings and structures, and transport equipment were not provided for audit review. Further, the value of land on which the buildings and structures are constructed has not been disclosed.

In addition, the assets have not been insured. This is contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which states 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, the accuracy, completeness, ownership and valuation status of fixed assets balance of Kshs.32,226,938 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- Molo Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a final expenditure budget of Kshs.204,731,802 against actual on a comparable expenditure of Kshs.174,289,797 resulting to budget under expenditure of Kshs.30,442,005 or 15% of the budget.

The under expenditure affected the planned activities and impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Stalled Secondary Schools' Projects

The statement of receipts and payments reflects transfer to other Government units amount of Kshs.97,200,000 as disclosed in Note 6 to the financial statements. The amount includes transfers to secondary schools amounting to Kshs.37,100,000, which

further includes construction works of Kshs.21,100,000. However, review of records and physical verification of the construction of a dining hall in Michinda Secondary School revealed that the project was approved in 2016/2017 financial year but had not been completed, five years after approval. This is contrary to Regulation 11(1)(j) of the National Government Constituencies Development Fund Regulations, 2016 which requires the National Government Constituency Development Fund Committee to ensure that projects are completed within three years. Further, the construction of a laboratory at St. James Secondary School incepted in 2019/2020 financial year had not been completed.

In the circumstances, the Management was in breach of the law and value for money on the delayed projects had not been achieved.

2. Irregular Emergency Projects Expenditure

The statement of receipts and payments reflects other grants and other transfers totaling to Kshs.62,936,828. The amount includes emergency projects expenditure of Kshs.11,700,000 as reflected in Note 7 to the financial statements. However, the expenditure had not been reported to the Board. This is contrary to Regulation 20(2) of the National Government Constituencies Development Regulations, 2016 which stipulates that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board. Further, the expenditure is 8.5% of the total original approved budget of Kshs.137,088,879 for the year under review. This is contrary to Section 8(1) of the National Government Constituencies Development Fund Act, 2015 which provides that an equivalent to five per centum of the Fund shall remain unallocated and shall be available for emergencies that may occur within the Constituency.

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

3. Irregular Acquisition of Assets

The Statement of receipts and payments reflects acquisition of assets amounting to Kshs.1,375,000. The amount includes expenditure incurred on refurbishment of buildings and purchase of office furniture and general equipment for Kshs.625,000 and Kshs.750,000 respectively as disclosed in Note 8 to the financial statements. However, the expenditure was not budgeted for contrary to Regulation 25 (2) of the National Government Constituencies Development Regulations, 2016 which states that a Constituency Committee shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget. Further, the expenditure was not supported with procurement records such as user requisition and stores records.

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

4. Project Implementation Status Report

The statement of receipts and payments reflects transfers to other Government units of Kshs.97,200,000 and other grants and other transfers of Kshs.62,936,828 as disclosed

under Notes 6 and 7 respectively to the financial statements. Review of the project's implementation status report revealed that twenty-one (21) projects with an allocation of Kshs.43,200,000 had been completed, five (5) projects with an allocation of Kshs.11,700,000 had not been started and ten (10) projects with an allocation of Kshs.38,800,001 were at different levels of completion.

In addition, project implementation status for all projects since inception of the Fund was not provided for audit.

In the circumstances, value for money for the ongoing and not started projects could not be confirmed.

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of intention to terminate 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

13 June, 2023


*Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

V. Statement Of Receipts and Payments for the Year Ended 30th June 2022

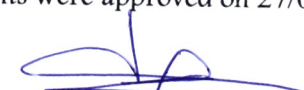
	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	170,088,879	161,367,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		170,088,879	161,367,724
PAYMENTS			
Compensation of employees	4	1,385,244	2,119,256
Use of goods and services	5	11,392,725	10,479,671
Transfers to Other Government Units	6	97,200,000	62,428,200
Other grants and transfers	7	62,936,828	65,450,393
Acquisition of Assets	8	1,375,000	6,458,000
Other Payments	9	-	-
TOTAL PAYMENTS		174,289,797	146,935,520
SURPLUS/DEFICIT		(4,200,918)	14,432,204

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved on 27/04/ 2023.and signed by:


Fund Account Manager

Name: Mohamed Hassan


National Sub-County
Accountant

Name: Nicholas Mutisya
ICPAK M/No:16276


Chairman NG-CDF
Committee

Name: Jane Gachathi

Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VI. Statement of Assets and Liabilities As At 30th June, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	18,353,127	22,554,045
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		18,353,127	22,554,045
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		18,353,127	22,554,045
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		18,353,127	22,554,045
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	22,554,045	8,121,841
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(4,200,918)	14,432,204
NET FINANCIAL POSITION		18,353,127	22,554,045

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 27/04/ 2023.and signed by:


 Fund Account Manager

Name: Mohamed Hassan


 National Sub-County
 Accountant

Name: Nicholas Mutisya
 ICPAK M/No:16276


 Chairman NG-CDF
 Committee

Name: Jane Gachathi

Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022


VII. Statement of Cash Flows for the Year Ended 30th June 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	170,088,879	161,367,724
Other Receipts	3	-	-
		170,088,879	161,367,724
Payments for operating activities			
Compensation of Employees	4	1,385,244	2,119,256
Use of goods and services	5	11,392,725	10,479,671
Transfers to Other Government Units	6	97,200,000	62,428,200
Other grants and transfers	7	62,936,828	65,450,393
Other Payments	9	-	-
		172,914,797	140,477,520
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(2,825,918)	20,890,204
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,375,000)	6,458,000
Net cash flows from Investing Activities		(1,375,000)	(6,458,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(4,200,918)	14,432,204
Cash and cash equivalent at BEGINNING of the year	10	22,554,045	8,121,841
Cash and cash equivalent at END of the year		18,353,127	22,554,045

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 27/04/ 2023 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Mohamed Hassan

Name: Nicholas Mutisya
ICPAK M/No:16276

Name: Jane Gachathi

**Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget Ksh	Adjustments Ksh	Final Budget Ksh	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	45,088,880	204,731,804	192,642,924	12,088,880	0.0%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL RECEIPTS	137,088,879	45,088,880	204,731,804	192,642,924	12,088,880	94.1%
PAYMENTS						
Compensation of Employees	1,614,400	905,947	2,520,347	1,385,244	1,135,103	55.0%
Use of goods and services	9,334,918	7,889,512	17,424,429	11,392,725	6,031,704	65.4%
Transfers to Other Government Units	79,200,000	34,151,214	116,727,027	97,200,000	19,527,027	83.3%
Other grants and transfers	46,739,561	2,142,206	68,059,998	62,936,828	5,123,170	92.5%
Acquisition of Assets	0	0	0	1,375,000	(1,375,000)	
Other Payments (yet to be received)	0	0	0			
TOTAL	137,088,879	45,088,879	204,731,802	174,289,797	30,442,005	85.1%

Explanatory Notes.

The difference between the original budget of 137,088,879 and the final budget of 192,642,924 is because of the opening balance for last year and funds of 33,000,000 for last year received the year under review.

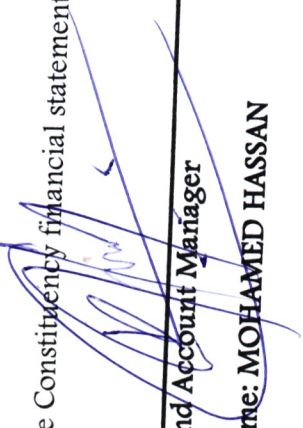
The actual expenditure for the year under review is 174,289,797 against receipt of 192,642,924 resulting to budget utilization of 18,353,127. The utilization percentage for the constituency is 90.5%, which is significantly fair. The unutilized funds make up the cashbook closing balance of 18,353,127.

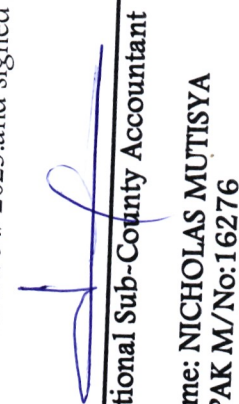
The revenue of the constituency contains no 'AIA' for the year.

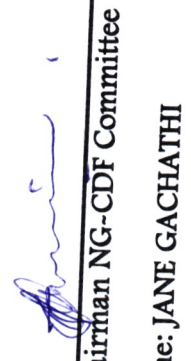
Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	30,442,006
Less undisbursed funds receivable from the Board as at 30th June 2022	12,088,880
Add Accounts payable	18,353,126
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	18,353,126

The Constituency financial statements were approved on 27/04/ 2023 and signed by:


Fund/Account Manager
Name: MOHAMED HASSAN


National Sub-County Accountant
Name: NICHOLAS MUTISYA
ICPAK M/No:16276


Chairman NG-CDF Committee
Name: JANE GACHATHI

**Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f= d/c %)
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
		Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent								
1.1 Compensation of employees	1,614,400		-	905,947	2,520,347	1,385,244	1,135,103	55
1.2 Committee allowances	2,386,697		-	1,465,547	3,852,244	3,368,400	483,844	87
1.3 Use of goods and services	3,327,189		-		3,327,189	1,700,000	1,627,189	51
Total	7,328,287			2,371,494	9,699,781	6,453,644	3,246,137	67
2.0 Monitoring and evaluation								
2.1 Capacity building	2,200,000		-	1,103,526	3,303,526	2,384,800	918,726	72
2.2 Committee allowances	621,031		-	2,533,219	3,154,250	2,617,000	537,250	83
2.3 Use of goods and services	1,000,000		-	2,787,219	3,787,219	1,322,525	2,464,694	35
Total	3,821,031			6,423,965	10,244,996	6,324,325	3,920,671	62
3.0 Emergency								
3.1 Primary Schools								

**Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

School	2,600,000						2,600,000	-
Marioshoni Secondary School	2,100,000			2,100,000			-	100
Elburgon D.E.B Secondary School	7,500,000			7,500,000			-	100
Mukinyai Secondary School	2,600,000			2,600,000	0		2,600,000	-
kapsita secondary school		2,000,000		2,000,000			-	100
elburgon DEB secondary school		3,000,000		3,000,000			-	100
elburgon secondary school		3,750,000						
mwangi michuki secondary		4,677,027					-	
Total	41,400,000	-	13,427,027	54,827,027	37,100,000		17,727,027	68
9.0 Tertiary institutions Projects								
KMTC MOLO	4,000,000			4,000,000			-	100
Elburgon Technical Training Institute	7,000,000			7,000,000			-	100
Total	11,000,000	-	11,000,000					100
10.0 Security Projects								
Mutamaiyu Assistant Chief's office	1,000,000			1,000,000			-	100
Marioshoni Chiefs office	1,000,000			1,000,000	0		1,000,000	-
Mona Chief's office	1,000,000			1,000,000	0		1,000,000	-
nyakiambi police post		1,200,000		1,200,000			-	100
mutamaiyu police			0.00	1,200,000			1,200,000	

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Molo 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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

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 1st June 2021 for the period 1st July 2021 to 30th June 2022 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 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020 -
		Kshs	2021
			Kshs
Normal Allocation	AIE NO. B 096982		15,000,000
	AIE NO. B 104646		20,000,000
	AIE NO. A823688		34,367,724
	AIE NO. B 124617		9,000,000
	AIE NO. B 119578		8,500,000
	AIE NO. B 119970		13,000,000
	AIE NO. B 129173		7,000,000
	AIE NO. B 132267		6,000,000
	AIE NO. B 138936		13,000,000
	AIE NO. B 128211		6,900,000
	AIE NO. B 126228		6,600,000
	AIE NO. B 105023		10,000,000
	AIE NO. B140666		12,000,000
	AIE NO. B 105218	33,000,000	
	AIE NO. B 105516	44,000,000	
	AIE NO. B 105876	22,000,000	
	AIE NO. B 154439	12,000,000	
	AIE NO. B 128629	5,000,000	
	AIE NO. B 128943	12,000,000	
	AIE NO. B 164370	18,000,000	
	AIE NO. B 155897	24,088,879	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		170,088,879	161,367,724

Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

2. Proceeds From Sale of Assets

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

*Molo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Notes To the Financial Statements

4. Compensation Of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,215,172	1,308,198
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	675,986
Employer Contributions Compulsory national social security schemes	170,072	135,072
TOTAL	1,385,244	2,119,256

5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	-	420,645
Electricity	50,143	159,536.00
Water & sewerage charges	-	-
Office rent	-	315,000
Communication, postal, supplies and services	335,657	0
Domestic travel and subsistence	11,500	34,100
Printing, advertising and information supplies & services	50,000	25,780
Rentals of produced assets		-
Training expenses	1,924,800	2,144,200
Hospitality supplies and services		522,500

Molo Constituency
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		460,000	
Other committee expenses		2,617,000	1,833,200
Committee allowance	3,368,400		2,728,800
Insurance costs	-		-
Specialised materials and services	-		-
Office and general supplies and services		1,700,000	1,700,000
Fuel , oil & lubricants		620,000	450,000
Other operating expenses		-	0
Bank service commission and charges		-	30,000
Other Operating Expenses		-	-
Security operations		-	-
Routine maintenance - vehicles and other transport equipment		255,225	115,910
Routine maintenance- other assets		-	0
TOTAL		11,392,725	10,479,671

6. Transfer To Other Government Units

Description	2021-2022		2020 - 2021	
		Kshs		Kshs
Transfers to Primary Schools		49,100,000		16,600,000
Transfers to Secondary Schools		37,100,000		27,028,200
Transfers to Tertiary Institutions		11,000,000		18,800,000
TOTAL		97,200,000		62,428,200

7. Other Grants and Other transfers

Description	2021-2022		2020 - 2021	
		Kshs		Kshs
Bursary - Secondary (see attached list)		22,945,800		12,469,500
Bursary -Tertiary (see attached list)		21,396,320		

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			27,721,280
Bursary- Special Schools		-	-
Mocks & CAT (see attached list)		-	1,444,981
Social Security programmes (NHIF)		-	
Security Projects (see attached list)		3,600,000	13,090,000
Sports Projects (see attached list)		3,144,708	2,047,354
Environment Projects (see attached list)		150,000	750,000
Emergency Projects (see attached list)		11,700,000	7,927,278
TOTAL		62,936,828	65,450,393

8. Acquisition Of Assets

Non Financial Assets	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	6,458,000
Refurbishment of Buildings	625,000	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General Equipment	750,000	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	1,375,000	6,458,000

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9. Other Payments

Strategic Plan		-	-
ICT Hubs		-	-
			-
TOTAL		-	-

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Equity Bank - Molo branch	A/C no.0230262025900	18,353,127	22,554,045
Equity Bank		-	-
		-	-
TOTAL		18,353,127	22,554,045

11: Outstanding Imprests

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2022)
	Date imprest taken	Kshs	Kshs	Kshs
Mohamed Hassan	02.07.2021	50,000	50,000	-
Mohamed Hassan	06.07.2021	52,000	52,000	-
Mohamed Hassan	08.07.2021	312,000	312,000	-
Mohamed Hassan	14.07.2021	156,000	156,000	-
Mohamed Hassan	12.08.2021	550,000	550,000	-
Mohamed Hassan	06.10.2021	550,000	550,000	-
Mohamed Hassan	15.10.2021	52,000	52,000	-

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				-
Mohamed Hassan	28.10.2021	52,000	52,000	-
Mohamed Hassan	16.11.2021	40,200	40,200	-
Mohamed Hassan	21.12.2021	456,000	456,000	-
Mohamed Hassan	07.01.2022	30,000	30,000	-
Mohamed Hassan	21.01.2022	104,000	104,000	-
Mohamed Hassan	28.01.2022	35,200	35,200	-
Mohamed Hassan	08.02.2022	104,000	104,000	-
Mohamed Hassan	10.02.2022	132,000	132,000	-
Mohamed Hassan	14.02.2022	1,028,000	1,028,000	-
Mohamed Hassan	04.03.2022	208,000	208,000	-
Mohamed Hassan	04.03.2022	836,000	836,000	-
Mohamed Hassan	08.04.2022	104,000	104,000	-
Mohamed Hassan	21.04.2022	52,000	52,000	-
Mohamed Hassan	18.05.2022	896,000	896,000	-
Mohamed Hassan	31.05.2022	624,000	624,000	-
Mohamed Hassan	15.06.2022	156,000	156,000	-

Notes to the Financial Statement Continued

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12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	675,986
Gratuity paid during the Year (C)	-	675,986
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	22,554,045	8,121,841
Cash in hand		
Imprest		
TOTAL	22,554,045	8,121,841

14. Prior Year Adjustments

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		Balance b/f FY 2020/2021 as per Audited Financial statements		Adjusted Balance** b/f FY 2020/2021
Description of the error		Kshs	Adjustments Kshs	Kshs
Bank accounts balances		-		-
Cash in hand		-	-	-
Accounts Payable		-	-	-
Receivables		-	-	-
Others (specify)		-	-	-
TOTAL				

15. Changes in Accounts Receivable – Outstanding Imprests

		2021-2022	2020- 2021
		Kshs	Kshs
Outstanding Imprest as at 1st July (A)		-	-
Imprest issued during the year (B)		-	-
Imprest surrendered during the Year (C)		-	-
Closing accounts receivable as at 30th June 2022 (D=A+B-C)		-	-
Net changes in accounts receivables A-D			

16. Changes in Accounts Payable – Deposits and Retentions

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

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Net changes in accounts payables A-D			
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17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020- 2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020- 2021
	Kshs	Kshs
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	684,217	450,924
Use of goods and services	4,846,349	8,097,862
Amounts due to other Government entities (see attached list)	20,127,027	38,127,027
Amounts due to other grants and other transfers (see attached list)	4,784,412	19,967,111
Acquisition of assets		
Others (specify)	-	1,000,000
Funds pending approval		
TOTAL	30,442,005	67,642,924

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17.4: PMC account balances (See Annex 5)

		2021-2022	2020- 2021
		Kshs	Kshs
PMC account balances (see attached list)		41,880,186	60,765,014
TOTAL		41,880,186	60,765,014

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**Annexes
Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance		Comments
		2021/2022	2020/2021	
Compensation of employees		684,217	450924	
Use of goods & services		4,846,349	8,097,862	
TOTAL		5,530,566	8,548,786	
Amounts due to other Government entities				
primary schools				
1. green park primary school	construction of administration block for the school	2,400,000		
TOTAL		2,400,000	25,175,813	
secondary schools				
1. mukinyai secondary school	construction of a single laboratory	2,600,000		
2. michatha secondary school	construction of a single laboratory	2,600,000		
3. arimi secondary school	construction of a single laboratory	2,600,000		
4. mwangi michuki secondary school		4,677,027		
5. elburgon secondary school		3,750,000		
4. michinda secondary school	renovation of the school kitchen	1,500,000		
Sub-Total		17,727,027	21,700,000	
others (specify)				

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land				0
Buildings and structures	25,758,000	625,000		26,383,000
Transport equipment	4,500,000			4,500,000
Office equipment, furniture and fittings	470,408	750,000		1,220,408
ICT Equipment, Software and Other ICT Assets	123,530			123,530
Other Machinery and Equipment	-			
Heritage and cultural assets				
Intangible assets				
Total	30,851,938	1,375,000		32,226,938

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Annex 5 –PMC Bank Balances As At 30th June 2022

Nos	NAME OF THE SCHOOL	BANK NAME	ACCOUNT NUMBER	BANK BALANCE AS AT 30TH JUNE 2021	BANK BALANCE AS AT 30TH JUNE 2020
1	Arimi Secondary School	0230264085292	EQUITY	100	-
2	chandera police post	0230179879013	equity	-	-
3	chandera primary school	0230162108763	EQUITY	2,720	-
4	Daraja Primary School	0230172079623	EQUITY	49,477	-
5	elburgon anti stock theft police station	0230280859974	equity	-	2,600,000.00
6	elburgon chiefs office	0230177260772	equity	-	30.00
7	Elburgon D.E.B Secondary School	0230262057432	EQUITY	6,499,880	-
8	elburgon DEB primary school	0230264538400	EQUITY	1	-
9	elburgon DEB secondary school	0230262057432	EQUITY	6,499,880	-
10	Elburgon Technical Training Institute	0230280781424	EQUITY	7,000,203	-
11	elburgon technical training institute	0230280781424	equity	-	6,916,790.00

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12	gathigi primary school	0230264079562	equity	-	35.00
13	greenpark primary school	0230264225943	equity	-	433.00
14	k.m.t. c molo	01141720378700	co operative	-	9,921,787.00
15	k.m.t. c molo	01141720378700	co operative	-	9,921,787.00
16	kambala secondary school	0230262275943	equity	-	40.00
17	kapsita secondary school	0230162296681	EQUITY	86	-
18	Kiambiriria Primary School	0230161975129	EQUITY	84	-
19	kiambiriria secondary school	0230161966075	EQUITY	2,999,519	-
20	kiambiriria Secondary School	0230161966075	EQUITY	299,519	-
21	kibunja primary school	0230262670265	EQUITY	-	-
22	Kimonio Primary School	0230264035926	EQUITY	58,967	-
23	KMTC MOLO	01141720378700	COOPERATIVE	9,921,787	-
24	kondamet primary school	0230175984080	EQUITY	-	-
25	Lawina Primary School	0230172109209	EQUITY	300,000	-
26	Lawina Secondary School	0230161963825	EQUITY	53,428	-
27	mariashoni secondary school	0230177169777	equity	-	2,000,260.00

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28	Mariosihoni Secondary School	0230177169777	EQUITY		20	-
29	mary mount secondary school	0230179883928	equity		-	459,330.00
30	Matumaini Secondary School	0230266537534	EQUITY		10	-
31	mianzini primary school	0230161965565	EQUITY		755	-
32	mianzini secondary school	0230162030686	equity		-	181.00
33	michatha chiefs office	0230179874965	equity		-	80.00
34	michinda primary school	0230179876422	equity		-	-
35	michinda secondary school	0230292970342	equity		-	3,008,050.00
36	mochorue police post	0230181003414	equity		-	999,880.00
37	Molo Highway secondary school	0230170605532	EQUITY		1,747,168	-
38	molo highway secondary school	0230170605532	equity		-	5,000,648.00
39	molo ng-cdf environment project	0230179533408	equity		-	40.00

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40	molo police station	0230280842065	equity	-	1,458,950.00
41	molo sports youth association	0230176815287	equity	-	1,895,912.00
42	mona secondary school	0230264491242	equity	-	696.00
43	moto secondary school	0230179876582	equity	-	1,149,550.00
44	muchorue chiefs office	0230181003399	equity	-	1,000,000.00
45	mukinyai chiefs office	0230179876645	equity	-	-
46	Mukinyai Secondary School	0230176251682	EQUITY	-	-
47	Mutamaiyu Assistant Chief's office	0230282087598	EQUITY	100,000	-
48	mutamaiyu police post	0230177840501	EQUITY	60	-
49	mwangaza primary school	0230262917859	EQUITY	71,651	-
50	Ndimu Primary School	0230162212722	EQUITY	799,880	-
51	Ndoswa chief's office	0230177478489	EQUITY	780	-
52	Ndoswa Primary School	0230264534121	EQUITY	191	-
53	ng-cdf office	0230178643177	equity	-	390.00
54	nguzu river primary school	0230170642469	equity	-	1,999,410.00

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55	nyakiambi police post	0230181238200	EQUITY	-	-
56	nyakiambi primary school	0230176023413	EQUITY	10,500	-
57	orthodox primary school	0230263931131	equity	-	1,577,530.00
58	PCEA elburgon primary school	0230264025234	EQUITY	1,169	-
59	Rombe Primary School	0230262882247	EQUITY	-	-
60	sakitim chiefs office	0230179879035	equity	-	49,760.00
61	sakitim police post	0230179879020	equity	-	-
62	Segut Primary School	0230172080421	EQUITY	1,000,000	-
63	Sokoro Girls Secondary School	0230162200866	EQUITY	600,000	-
64	sokoro primary school	0230161977322	equity	-	594.00
65	St. Bredance Primary School	0230162301705	EQUITY	54	-
66	st. brendans primary school	0230162301705	equity	-	53.00
67	st. james primary school	0230161961419	equity	-	899.00
68	st. james secondary school	0230181001212	equity	-	5,000,000.00

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69	st. joseph elburgon secondary school	0230264541039	equity	-	-
70	St. Peters Boys Primary School	0230162129868	EQUITY	97,647	-
71	st. peters girls day primary school	0230177833085	EQUITY	10	-
72	tayari primary school	0230161960765	equity	-	88.60
73	tayari primary school	0230161960765	equity	-	88.60
74	Tuiyobei Primary School	0230182515748	EQUITY	234,887	-
75	tumaini integrated primary school	0230177836918	equity	-	2,600,000.00
76	tumaini integrated secondary school	0230266537534	equity	-	3,201,810.00
77	Tumaini Primary School	0230177836918	EQUITY	400	-
78	Turi Seconadry School	0230264527360	EQUITY	3,529,252	-
79	Turi Sulgwita primary School	0230161970903	EQUITY	102	-
TOTAL				41,880,186	60,765,014

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Budgetary control and performance	The issue was resolved in the financial statement	Resolved	
2.	Implementation of projects	Most of the projects were on going at the time of the audit but the projects have been completed now.	Resolved	

.....
Name
Fund Account Manager.