


**REPORT**

 THE NATIONAL ASSEMBLY	
OF	
DATE:	05 JUL 2023
	DAY: WED
TABLED BY:	Hon. Owen Bayo CBS MP Deputy Leader Majority
CLERK AT THE TABLE:	Finlay Mureki

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

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

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



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**KARACHUONYO CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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

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## **I. Key Constituency Information and Management**

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

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

### **Mandate**

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

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

## ***Karachuonyo Constituency***

### ***National Government Constituencies Development Fund (NGCDF)***

#### ***Annual Report and Financial Statements for The Year Ended June 30, 2022***

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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**

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

- i. National Government Constituencies Development Fund Board (NGCDFB)

ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Galgalo Danso
2.	Sub-County Accountant	Nehemia Ocharo
3.	Chairman NGCDFC	Jarome Hongo
4.	Member NGCDFC	Hesbon Ochoka

**(d) Fiduciary Oversight Arrangements**

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

Karachuonyo CDF  
DCC Compund  
Kendubay/ Oyugis Road  
P.O.Box 36  
Kendubay, Kenya

**(f) KARACHUONYO Constituency NGCDF Contacts**

Telephone: (254) 720058255  
E-mail: [Karachuonyo@ngcdf.go.ke](mailto:Karachuonyo@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) Karachuonyo Constituency NGCDF Bankers**

Bank Name: EQUITY BANK  
Branch: HOMABAY BRANCH  
Account Name: KARACHUONYO NG - CDF  
Account Number: 0980265100797

**(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**



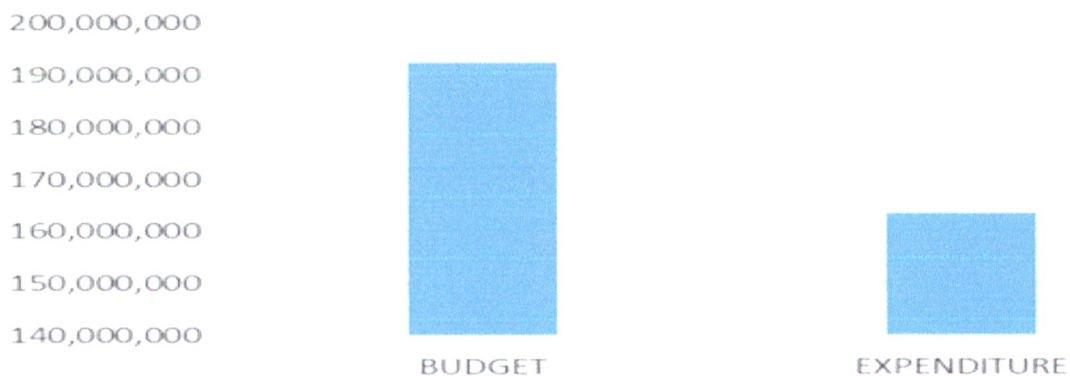
**Joramme Hongo- Chairman NGCDF Karachuonyo**

Out of the **Kshs 167,888,699** received, the constituency spent **Kshs 163,366,752**. This translates to a favourable absorption rate of 98% despite operating with a unique environmental context of post Covid-19 pandemic. Further, the amounts spent was over the current year allocation by **Kshs 26,277,873.12** as a result of utilizing prior years’ funds that had not been disbursed on time as at the closure of the FY 2020/21.

Below we present a graphical presentation of the annual allocation and actual amounts spent in FY 2021/2022.

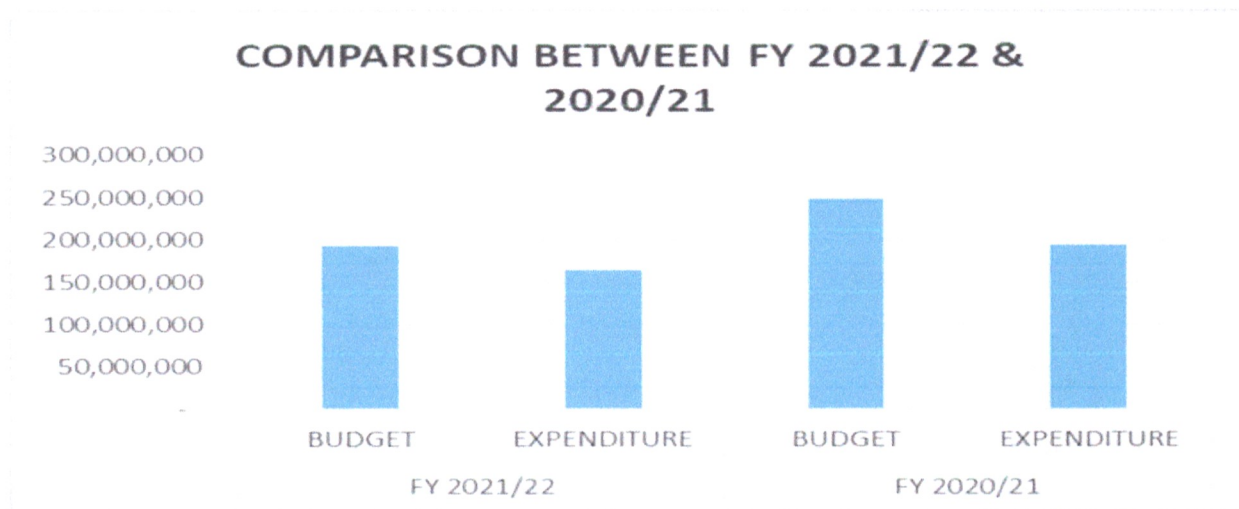
**1. BUDGET FOR THE FY 2021/22 VS EXPENDITURE**

**BUDGET VS EXPENDITURE FY 2021/22**





## 2. COMPARISON BETWEEN FY 2021/22 & FY 2020/21



### **Key Achievements:**

The greatest achievements are in project implementation which included improvement of learning structures in schools by construction of classrooms and administration blocks:

### **Emerging issues:**

Emerging issues include:

1. High demand for bursary due to high poverty index and the ever increasing of applicants.
2. High cost of building materials as a result of rising inflation globally. This has negatively affected the costs of constructing classrooms and other infrastructural development

### **Challenges:**

1. Some schools are inaccessible due to poor road networks
2. Adverse weather conditions such as strong winds and floods have led to increase in emergency need within the constituency.
3. Late disbursements of funds by NG-CDF Board and delay in approval of reallocation requests has led to delay in project implementation.

### **Recommendations:**

1. Timely disbursement of funds by NG-CDF Board will facilitate timely implementation of approved projects.
2. There is need to review the emergency funding upwards to meet the ever increasing emergency needs within the constituency.



**Pictorials**

The management also constructed several classes during the financial year to create conducive environment for learning:

Sample of the classrooms constructed:

**1. KENDUBAY POLICE STATION- CONSTRUCTION OF A POLICE STATION**



.....  
**Name**  
**CHAIRMAN NGCDF COMMITTEE**

### III. 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 *Karachuonyo Constituency 2018-2022* plan are to:

- To mobilize more resources for community development.
- To improve safe water supply.
- To improve the health standards of the constituency.
- To improve infrastructure, especially schools and roads within the constituency.
- To build capacity of the community to implement development projects.
- Empower and training of youth

#### Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> </ul>	<p>In FY 2021/22</p> <ul style="list-style-type: none"> <li>-we increased number of classrooms in primary school from 650 to 720 and 300 to 370 in secondary schools within the constituency.</li> <li>- Bursary beneficiaries: 3200 in secondary school and 800 in</li> </ul>

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

				tertiary institutions
Security	To have conducive working environment for security agencies	Increased construction of chief's office	Improved security in the area	In FY 2021/22 there was construction of 3 chiefs offices
Environment	To improve environment by carrying out environmental activities	Increased planting of trees both indigenous and fruit trees	Improved environment	in the FY 2021/22, we have planted more trees, and indigenous trees
Sports	To empower youth through sports activities	Increased sports activities through Karachuonyo tournament	Improved youth empowerment	In the year 2021/22, management did not carry out sports activities
Disaster Management	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	Management has carried out PMC & CDFC capacity building to improve in the management of NG-CDF funds

#### **IV. Environmental and Sustainability Reporting**

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

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

NG-CDF Karachuonyo carried out environmental activities in the FY 2021/22 to a tune of Kshs 1,700,000. This was the cost of construction of toilets and hence improve sanitation

## **3. Employee welfare**

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

Karachuonyo 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-**

Karachuonyo 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.

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



.....  
Name Galgalo Danso

FAM





## **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-Karachuonyo 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, 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-Karachuonyo 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 *Karachuonyo* 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- Karachuonyo Constituency further confirms the completeness of the accounting records maintained for the *Karachuonyo*, 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 Karachuonyo Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *Karachuonyo* '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- Karachuonyo Constituency financial statements were approved and signed by the Accounting Officer on 30/6/ 2022.

.....  
**Name: Jarome Hongo**  
**Chairman – NGCDF Committee**

.....  
**Name: Galgalo Danso**  
**Finance Account Manager**

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

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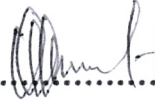
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**Approval of the financial statements**

The NGCDF- Karachuonyo Constituency financial statements were approved and signed by the Accounting Officer on 30/6/ 2022.



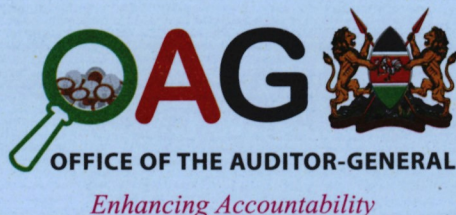
.....  
**Name: Jarome Hongo**  
**Chairman – NGCDF Committee**



.....  
**Name: Galgalo Danso**  
**Finance Account Manager**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KARACHUONYO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for 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 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 - Karachuonyo Constituency set out on pages 1 to 40, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the summary statement

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*Report of the Auditor - General on the National Government Constituencies Development Fund – Karachuonyo Constituency for the year ended 30 June, 2022*

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 the National Government Constituencies Development Fund - Karachuonyo 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 Bursaries Expenditure**

The statement of receipts and payments reflects other grants and transfers balance of Kshs.96,760,259, as disclosed in Note 7 to the financial statements. The amount includes bursaries to secondary schools of Kshs.54,003,099 and bursaries to tertiary institutions of Kshs.18,546,780, both totalling to Kshs.72,549,879. However, the bursary Sub-committee vetting minutes and the list of beneficiaries in support of the latter amount were not provided for audit.

In the circumstances, the accuracy, completeness and validity of the bursaries expenditure of Kshs.72,549,879 for the year ended 30 June, 2022 could not be confirmed.

#### **2. Accuracy of the Cash and Cash Equivalents Balance**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.5,249,174. However, review of the bank reconciliation statement as at 30 June, 2022 revealed that there were unrepresented stale cheques amounting to Kshs.15,909,235 which had not been reversed in the cash book. This was contrary to Section 90(1) of the Public Finance Management (National Government) Regulations, 2015, which states that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.5,249,174 as at 30 June, 2022 could not be confirmed.

#### **3. Variance in the Summary of Fixed Asset Register**

Annex 4 to the financial statements - summary of fixed asset register, reflects an assets balance of Ksh.14,507,499. However, the updated assets register provided for audit reflected assets balance of Kshs.13,333,862 as at 30 June, 2022, resulting to an unreconciled variance of Kshs.1,173,637.

In the circumstances, the accuracy and completeness of the assets balance of Kshs.14,507,499 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 - Karachuonyo 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**

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

The summary statement of appropriation reflects total budgeted receipts of Kshs.192,244,985 and actual receipts of Kshs.168,615,926, resulting to underfunding of Kshs.23,629,059 or 12% of the budget. Similarly, the Fund spent Kshs.163,366,752 against an approved budget of Kshs.192,244,985, resulting in an under-expenditure of Kshs.28,878,233 or 15% of the budget.

The underfunding and under-expenditure affected the planned activities of the Fund and may have impacted negatively on delivery of services to the residents of Karachuonyo Constituency.

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

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues nor given any explanation for failure to resolve them. Further, the prior year's audit matters have not been disclosed in the financial statements as required by the Public Sector Accounting Standards Board recommended reporting template.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**


#### **Conclusion**

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

##### **Composition of the Bursary Sub-Committee**

The statement of receipts and payments reflects other grants and transfers balance of Kshs.96,760,259 which includes bursaries to secondary schools of Kshs.54,003,099 and bursaries to tertiary institutions of Kshs.18,546,780 as disclosed in Note 7 to the financial statements.



However, the Fund's bursary Sub-Committee as constituted did not co-opt two members, one whom must be the area Education Officer or a representative of the Ministry of Education, contrary to the Constituency Development Fund Board Circular Reference VOL1/111, dated 13 September, 2010, which requires formation of a Sub-Committee of the Constituency Development Fund to manage the bursary scheme including two co-opted members, one of whom must be an Education Officer or an officer seconded from the Ministry of Education.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the 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 controls, risk management and overall governance.

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

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

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

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

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

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

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

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

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




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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 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**

**09 June, 2023**

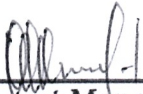
**Karachuonyo Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**


**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022**


	Note	2021-2022	2020-2021
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	167,888,699	175,367,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>167,888,699</b>	<b>175,367,724</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,637,928	1,773,704
Use of goods and services	5	8,295,065	12,141,387
Transfers to Other Government Units	6	54,673,500	118,915,125
Other grants and transfers	7	96,760,259	57,921,021
Acquisition of Assets	8	-	1,297,640
Other Payments	9	-	1,850,000
<b>TOTAL PAYMENTS</b>		<b>163,366,752</b>	<b>193,898,877</b>
<b>SURPLUS/DEFICIT</b>		<b>4,521,947</b>	<b>(18,531,153)</b>

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 30/6/ 2022 and signed by:

  
 Fund Account Manager

  
 National Sub-County  
 Accountant

  
 Chairman NG-CDF  
 Committee

Name: Galgalo Danso

Name: Nehemia Ocharo  
 ICPAK M/No:

Name: Jarome Hongo

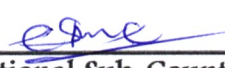
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	5,249,174	727,227
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>5,249,174</b>	<b>727,227</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>5,249,174</b>	<b>727,227</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>5,249,174</b>	<b>727,227</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	727,227	19,258,380
Prior year adjustments	14	-	
Surplus/Defict for the year		4,521,947	(18,531,153)
<b>NET FINANCIAL POSITION</b>		<b>5,249,174</b>	<b>727,227</b>

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 30/6 2022 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Name: Galgalo Danso

Name: Nehemia Ocharo  
ICPAK M/No:

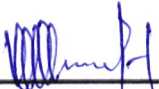
Name: Jarome Hongo

IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	167,888,699	175,367,724
Other Receipts	3	-	-
		<b>167,888,699</b>	<b>175,367,724</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	3,637,928	1,773,704
Use of goods and services	5	8,295,065	12,141,387
Transfers to Other Government Units	6	54,673,500	118,915,125
Other grants and transfers	7	96,760,259	57,921,021
Other Payments	9	-	1,850,000
		<b>163,366,752</b>	<b>192,601,237</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>4,521,947</b>	<b>(17,233,513)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	8	-	(1,297,640)
<b>Net cash flows from Investing Activities</b>		-	<b>(1,297,640)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>4,521,947</b>	<b>(18,531,153)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>727,227</b>	<b>19,258,380</b>
<b>Cash and cash equivalent at END of the year</b>		<b>5,249,174</b>	<b>727,227</b>

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

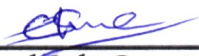
The Constituency financial statements were approved on 30/6/ 2022 and signed by:



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**Fund Account Manager**

**Name: Galgalo Danso**



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**National Sub-County  
Accountant**

**Name: Nehemia Ocharo  
ICPAK M/No:**



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**Chairman NG-CDF  
Committee**

**Name: Jarome Hongo**

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

**X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>							
Transfers from NG-CDF Board	137,088,879	727,227	54,428,879	192,244,985	168,615,926	23,629,059	87.7%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>727,227</b>	<b>54,428,879</b>	<b>192,244,985</b>	<b>168,615,926</b>	<b>23,629,059</b>	<b>87.7%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,877,995	691,675	308,325	4,877,995	3,637,928	1,240,067	74.6%
Use of goods and services	8,359,996	35,552	0	8,395,548	8,295,065	100,483	98.8%
Transfers to Other Government Units	52,449,910	0	24,873,500	77,323,410	54,673,500	22,649,910	70.7%
Other grants and transfers	72,400,978	0	29,247,054	101,648,032	96,760,259	4,887,773	95.2%
Acquisition of Assets				0	-	-	
Other Payments	0			0	-	-	
<b>TOTAL</b>	<b>137,088,879</b>	<b>727,227</b>	<b>54,428,879</b>	<b>192,244,985</b>	<b>163,366,752</b>	<b>28,878,233</b>	<b>85.0%</b>

- Employee compensation - provision for gratuity

- Transfer- Roll over projects funds already implemented
- Grants- roll over funds already disbursed

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	28,878,233
Less undisbursed funds receivable from the Board as at 30th June 2022	23,629,059
Add Accounts payable	5,249,174
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 / 2022	5,249,174

The Constituency financial statements were approved on 30/6 2022 and signed by:



Fund Account Manager

Name: Galgalo Danso



National Sub-County Accountant

Name: Nehemia Ocharo  
ICPAK M/No:



Chairman NG-CDF Committee

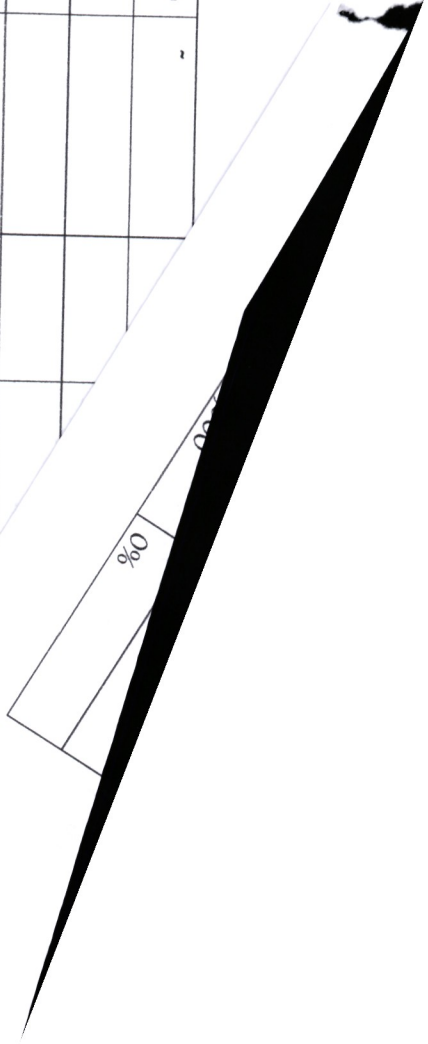
Name: Jarome Hongo

**X. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(c = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/BK) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,877,995	691,675	308,325	4,877,995.00	3,637,928	1,240,067	75%
	2,300,000.00			2,300,000.00	2,300,000	-	100%
1.2 Committee allowances	2,047,332.00			2,047,332.00	1,946,849	100,483	95%
1.3 Use of goods and services							
<b>Total</b>	<b>8,225,327</b>	<b>691,675</b>	<b>308,325</b>	<b>9,225,327</b>	<b>7,884,777</b>	<b>1,340,550</b>	<b>85%</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,000,000.00			1,000,000	1,000,000	-	100%
	1,200,000.00			1,200,000	1,200,000	-	100%
2.2 Committee allowances	1,812,664.00	-		1,200,000	1,200,000	-	100%
2.3 Use of goods and services		35,552	-	1,848,216	1,848,216	-	100%
<b>Total</b>	<b>4,012,664</b>	<b>35,552</b>	<b>-</b>	<b>4,048,216</b>	<b>4,048,216</b>	<b>-</b>	<b>100%</b>
<b>3.0 Emergency</b>							
	7,192,206.90	0		7,192,207		7,192,207	0%



3.1 Primary Schools													
EMERGENCY								270,000				(270,000)	
EMERGENCY								200,000				(200,000)	
EMERGENCY								214,000				(214,000)	
EMERGENCY								400,000				(400,000)	
EMERGENCY								380,000				(380,000)	
EMERGENCY								400,000				(400,000)	
EMERGENCY								400,000				(400,000)	
EMERGENCY								500,000				(500,000)	
EMERGENCY								200,000				(200,000)	
EMERGENCY								350,000				(350,000)	
EMERGENCY								550,000				(550,000)	
EMERGENCY								450,000				(450,000)	
								500,000				(500,000)	
								550,000				(550,000)	
								500,000				(500,000)	
								450,000				(450,000)	
								580,000				(580,000)	
								7,192,207				298,207	96%
								6,894,000				298,207	96%



<b>4.0 Bursary and Social Security</b>									
4.1 Secondary Schools	24,300,000		27,800,000	52,100,000	54,003,099	(1,903,099)	104%		
4.2 Tertiary Institutions	18,516,815		1,247,054	19,763,869	18,546,780	1,217,089	94%		
4.3 Social Security	2,000,000			2,000,000	-	2,000,000	0%		
4.4 Special Needs	2,400,000			2,400,000		2,400,000	0%		
Mocks and Cats				-	3,075,500	(3,075,500)			
<b>Total</b>	<b>47,216,815</b>	<b>-</b>	<b>29,047,054</b>	<b>76,263,869</b>	<b>75,625,379</b>	<b>638,490</b>	<b>99%</b>		
<b>5.0 Sports</b>									
5	2,341,776			2,341,776	2,145,300	196,476	92%		
<b>Total</b>	<b>2,341,776</b>		<b>-</b>	<b>2,341,776</b>	<b>2,145,300</b>	<b>196,476</b>	<b>92%</b>		
<b>6.0 Environment</b>									
Burlum Primary School	500,000	-		500,000	-	500,000	0%		
God Ndonyo Primary School	50,000			50,000		50,000	0%		
Karachunyo Youth Empowerment Centre	50,000			50,000		50,000	0%		
Obilo Primary School	50,000			50,000		50,000	0%		
Ogango Primary School	50,000			50,000		50,000	0%		
Oriang Manyuanda Primary School	300,000			300,000		300,000	0%		

St. Douglas Weta Primary School	50,000			50,000			50,000		0%
St. Gorrety Mawego Primary School	500,000			500,000			500,000		0%
Warao Primary School	50,000			50,000			50,000		0%
b/f				-		1,435,580	(1,435,580)		#DIV/0!
<b>Total</b>	<b>1,650,000</b>	-		<b>1,650,000</b>		<b>1,435,580</b>	<b>214,420</b>		<b>87%</b>
<b>7.0 Primary Schools Projects</b>									
Achuth Primary School	1,200,000			1,200,000		1,200,000	-		100%
Adita Primary School	800,000			800,000			800,000		0%
Akwakra Primary School	1,500,000			1,500,000		1,500,000	-		100%
Ayub Okoko Primary school	1,200,000			1,200,000		1,200,000	-		100%
Bongia Primary School	800,000			800,000			800,000		0%
Kendu Muslim Primary School	1,200,000			1,200,000			1,200,000		0%
Uibugu Primary School	800,000			800,000			800,000		0%
Primary School	800,000			800,000			800,000		0%
Primary School	800,000			800,000		800,000	-		100%
Primary School	1,200,000			1,200,000		1,200,000	-		100%
Primary School	800,000			800,000			800,000		0%
Primary School	800,000			800,000			800,000		0%
Primary School	800,000			800,000			800,000		0%
Primary School	1,200,000			1,200,000		1,200,000	-		100%
Primary School	800,000			800,000			800,000		0%
Primary School	800,000			800,000			800,000		0%
Primary School	800,000			800,000			800,000		100%

Lieta Primary School	1,200,000			1,200,000	1,200,000	-	0%
Maguti Primary School	1,200,000			1,200,000		1,200,000	0%
Ngoche Primary School	1,200,000			1,200,000		1,200,000	0%
Omolo Agar Primary School	800,000			800,000		800,000	0%
Ornuga Primary School	800,000			800,000		800,000	0%
Osika Primary School	800,000			800,000	800,000	-	100%
Osodo Primary School	800,000			800,000	800,000	-	100%
Pier Got Primary School	1,200,000			1,200,000	1,200,000	-	100%
Samba Primary School	800,000			800,000	800,000	-	100%
Sanda Primary School	1,200,000			1,200,000	1,200,000	-	100%
Wangadonji Primary School	800,000			800,000	800,000	-	100%
Warao Primary School	800,000			800,000	800,000	-	100%
Yala Primary School	1,200,000			1,200,000	1,200,000	-	100%
Ajigo Primary School	1,400,000			1,400,000	1,400,000	-	100%
Gendia Primary School	400,000			400,000	400,000	-	100%
Kasibos Primary School	400,000			400,000	400,000	-	100%
Lower Kamuga Primary School	1,000,000			1,000,000	1,000,000	-	100%
Maguti Primary School	400,000			400,000	400,000	-	100%

Nyamwala Primary School	800,000			800,000	-	800,000	-	800,000	0%
Nyanja Rateng Primary School	500,000			500,000	500,000	-	-	800,000	100%
Nyawino Primary School	600,000			600,000	-	600,000	-	600,000	0%
Ochuoga Primary School	1,400,000			1,400,000		1,400,000	1,400,000	1,400,000	0%
NDUGA PRI.			2,400,000	2,400,000	2,400,000	-	-	-	100%
NDUGA PRY			900,000	900,000	900,000	-	-	-	100%
KITAL PRY			800,000	800,000	800,000	-	-	-	100%
NYACHE PRI			1,200,000	1,200,000	1,200,000	-	-	-	100%
ORLANG MANYUANGA PRI			1,800,000	1,800,000	1,800,000	-	-	-	100%
SEKA PRI.			2,400,000	2,400,000	2,400,000	-	-	-	100%
KANAM PRI.			2,400,000	2,400,000	2,400,000	-	-	-	100%
KANAM PRI.			1,800,000	1,800,000	1,800,000	-	-	-	100%
ORLANG MANYUANGA PRI			1,200,000	1,200,000	1,200,000	-	-	-	100%
NYAKONGO PRI.			2,400,000	2,400,000	2,400,000	-	-	-	100%
NYAKONGO PRI.			500,000	500,000	500,000	-	-	-	100%
NYAKONGO PRI.			200,000	200,000	200,000	-	-	-	100%
NYAKONGO PRI.			1,500,000	1,500,000	1,500,000	-	-	-	100%
NYAKONGO PRI.			978,750	978,750	978,750	-	-	-	100%
NYAKONGO PRI.			1,200,000	1,200,000	1,200,000	-	-	-	100%



<b>10.0 Security Projects</b>											
Kanam B Chiefs Office	400,000							400,000	400,000	-	100%
Kanyaluo Police Post	2,000,000							2,000,000	2,000,000	-	100%
Kendu Bay Police Station	500,000							500,000	500,000	500,000	0%
Kobiero Chiefs Office	1,750,000							1,750,000	1,750,000	-	100%
Kobuya Chiefs Office	1,750,000							1,750,000	1,750,000	-	100%
Koyugi Chiefs Office	250,000							250,000	250,000	250,000	0%
North Karachuonyo Chiefs Office	250,000							250,000	250,000	250,000	0%
Wangchieng Divisional Headquarters	500,000					200,000		700,000	700,000	-	100%
Nyangwete Police Post	600,000							600,000	600,000	-	100%
Wangchieng Divisional Headquarters	700,000							700,000	700,000	700,000	0%
Kendu Bay Police Station	4,000,000							4,000,000	4,000,000	-	100%
Kendu Law Court	1,300,180							1,300,180	1,300,180	1,300,180	0%
<b>Total</b>	<b>14,000,180</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,200,180</b>	<b>11,200,000</b>	<b>3,000,180</b>	<b>3,000,180</b>	<b>79%</b>
<b>11.0 Acquisition of assets</b>											
11.1 Motor Vehicles	-							-	-	-	
11.2 Construction of CDF office-Renovation	-							-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

12.0 Other payments								
Total	-	-	-	-	-	-	-	
13.0 unallocated fund								
Unapproved projects								
ALA								
PMC savings								
Total	-	-	-	-	-	-	-	
	137,088,879	727,227	54,428,879	192,244,985	163,366,752	28,878,233	85%	

**STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)**

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>PAYMENTS</b>							
Compensation of Employees	3,877,995	691,675	308,325	4,877,995	3,637,928	1,240,067	75%
Use of goods and services	8,359,996	35,552	-	8,395,548	8,295,065	100,483	99%
Transfers to Other Government Units	52,449,910	-	24,873,500	77,323,410	54,133,500	23,189,910	70%
Other grants and transfers	72,400,978	-	29,247,054	101,648,032	97,300,259	4,347,773	96%
Acquisition of Assets							



Other payments	-	-	-	-	-	-	-	-	-	-	-	-
UNALLOCATED FUND	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>137,088,879</b>	<b>727,227</b>	<b>54,428,879</b>	<b>192,244,985</b>	<b>163,366,752</b>	<b>28,878,233</b>	<b>85%</b>					

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

## **XI. Significant Accounting Policies**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-Karachuonyo 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 28<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> 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 30<sup>th</sup> 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.

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020 - 2021
		Kshs	Kshs
	B003127		20,000,000
Normal Allocation	B005108		63,367,724
	B030184		13,000,000
	B030428		6,900,000
	B006370		6,000,000
	B042761		9,000,000
	B047007		12,000,000
	B041083		8,500,000
	B047450		7,000,000
	B41290		13,000,000
	B47710		10,000,000
	B049297		6,600,000
		33,000,000	
	B105687	34,000,000	
	B105710	16,000,000	
	B128532	17,000,000	
	B128843	18,000,000	
	B154041	15,000,000	
	B128842	14,000,000	
	B155839	12,788,699	
		7,500,000	
		600,000	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
<b>TOTAL</b>		<b>167,888,699</b>	<b>175,367,724</b>



## 2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)		
<b>Total</b>	-	-

## 3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

*Notes To the Financial Statements (Continued)*

4. Compensation Of Employees

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,482,408	1,168,120
<b>Personal allowances paid as part of salary</b>		
House allowance	-	205,200
Transport allowance	-	240,000
Leave allowance	-	
Gratuity-contractual employees	-	82,624
Employer Contributions Compulsory national social security schemes	155,520	77,760
<b>TOTAL</b>	<b>3,637,928</b>	<b>1,773,704</b>

5. Use Of Goods and Services

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	242,000	22,680
Electricity	10,000	-
Water & sewerage charges	4,820	-
Office rent		-
Communication, supplies and services	-	830,000
Domestic travel and subsistence	-	292,000
Printing, advertising and information supplies & services	600,000	17,905
Rentals of produced assets		-
Training expenses	-	1,841,284
Hospitality supplies and services	-	-
Other committee expenses	5,324,000	4,571,100
Committee allowance	1,666,900	3,504,441
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	-	546,000
Fuel , oil & lubricants	443,145	17,000
Other operating expenses	-	300,000
Bank service commission and charges	4,200	78,977
Other Operating Expenses	-	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	-	120,000
Routine maintenance- other assets		-
<b>TOTAL</b>	<b>8,295,065</b>	<b>12,141,387</b>

#### 6. Transfer to Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	44,478,500	63,400,000
Transfers to Secondary Schools	10,195,000	47,515,125
Transfers to Tertiary Institutions		8,000,000
<b>TOTAL</b>	<b>54,673,500</b>	<b>118,915,125</b>

#### 7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary ( see attached list)	54,003,099	6,194,480
Bursary -Tertiary ( see attached list)	18,546,780	11,480,300
Bursary- Special Schools	-	2,290,000
Mocks & CAT ( see attached list)	2,475,500	-
Social Security programmes (NHIF)		1,788,000
Security Projects ( see attached list)	11,200,000	17,800,000
Sports Projects ( see attached list)	2,145,300	3,388,000
Environment Projects ( see attached list)	1,435,580	1,532,000
Emergency Projects ( see attached list)	6,954,000	13,448,241
<b>TOTAL</b>	<b>96,760,259</b>	<b>57,921,021</b>

#### 8. Acquisition of Assets

<u>Non Financial Assets</u>	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	1,001,640
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	296,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General Equipment	-	-
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		

*Notes To the Financial Statements (Continued)*

9. Other Payments

Strategic Plan	-	-
Kendu law court	-	1,850,000
		-
<b>TOTAL</b>	<b>-</b>	<b>1,850,000</b>

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)
<i>EQUITY BANK HOMABAY</i>	<i>A/C no.0980265100797</i>	5,249,174	727,227
Equity Bank		-	-
		-	-
<b>TOTAL</b>		<b>5,249,174</b>	<b>727,227</b>

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
<i>Galgallo Guyo Danso</i>	2021/2022	7,530,000	7,530,000	-
<b>Total</b>		<b>7,530,000</b>	<b>7,530,000</b>	<b>-</b>

*Notes to the Financial Statement Continued*

**12A. Retention**

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

[Provide short appropriate explanations as necessary.]

**12B. Gratuity**

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

[Provide short appropriate explanations as necessary]

**13. Balances Brought Forward**

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	727,227	19,258,380
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>727,227</b>	<b>19,258,380</b>

#### 14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	~	~	~
Cash in hand	~	~	~
Accounts Payables	(-)	~	(-)
Receivables	~	~	~
Others ( <i>specify</i> )	~	~	~
<b>Total</b>	~	~	~

\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)

#### 15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	~	~
Imprest issued during the year (B)	~	~
Imprest surrendered during the Year (C)	~	~
closing accounts in account receivables D= A+B-C	~	~
<b>Changes in Account Receivables E= D-A</b>	<b>-</b>	<b>-</b>

#### 16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	~	~
Deposit and Retentions held during the year (B)	~	~
Deposit and Retentions paid during the Year (C)	~	~
closing account payables D= A+B-C	~	~
<b>Changes in Accounts Payable E= D-E</b>	<b>-</b>	<b>-</b>

*Notes to the Financial Statements (Continued)*

**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
NGCDFC Staff	-	-X
Others ( <i>specify</i> )	-	-X
Total	-	-X

**17.3: Unutilized Fund (See Annex 3)**

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	1,240,067	2,461,846
Use of goods and services	100,483	35,552
Amounts due to other Government entities (see attached list)	22,649,910	22,654,549
Amounts due to other grants and other transfers (see attached list)	4,887,773	19,545,410
Acquisition of assets	-	9,108,749
Others ( <i>specify</i> )	-	1,350,000
Funds pending approval	-	-
	<b>28,878,233</b>	<b>55,156,106</b>

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	1,671	347,432
Total	<b>1,671</b>	<b>347,432</b>



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

**Annexes**

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

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

**Annex 2 - Analysis of Pending Staff Payables**

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

**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	Employee salary	1,240,067	2,461,846	ONGOING
1.3 Use of goods and services	Committee gds and service	100,483	35,552	ONGOING
<b>Total</b>		<b>1,340,550</b>	<b>2,497,398</b>	
<b>2.0 Monitoring and evaluation</b>		-		
<b>Total</b>		-		
<b>3.0 Emergency</b>				
<b>Total</b>		<b>298,207</b>	<b>1,690,166</b>	ONGOING
<b>4.0 Bursary and Social Security</b>				
<b>Total</b>		<b>638,490</b>	<b>4,875,846</b>	ONGOING
<b>5.0 Sports</b>				
		196,476	2,080,404	ONGOING
<b>Total</b>		<b>196,476</b>	<b>2,080,404</b>	
<b>6.0 Environment</b>				
<b>Total</b>		<b>214,420</b>	<b>2,298,994</b>	ONGOING
<b>7.0 Primary Schools Projects</b>				
Achuth Primary School		-		
Adita Primary School		800,000		ONGOING
Bongia Primary School		800,000		ONGOING

Kendu Muslim Primary School			1,200,000		ONGOING
Kibugu Primary School			800,000		ONGOING
Kital Primary School			800,000		ONGOING
Kogembo Primary School			800,000		ONGOING
Kogweno Primary School			800,000		ONGOING
Lieta Primary School			1,200,000		ONGOING
Maguti Primary School			1,200,000		ONGOING
Ngoche Primary School			1,200,000		ONGOING
Omolo Agar Primary School			800,000		ONGOING
Omuqa Primary School			800,000		ONGOING
Nyamwala Primary School			800,000		ONGOING
Nyawino Primary School			600,000		ONGOING
Ochuoga Primary School			1,400,000		ONGOING
NDUGA PRY				2,400,000	ONGOING
MANGO PRY				2,400,000	ONGOING
<b>Total</b>			<b>14,000,000</b>	<b>4,800,000</b>	ONGOING
<b>8.0 Secondary Schools Projects</b>					ONGOING
Karabondi Bidii Secondary School			1,200,000		ONGOING

St. Innocent Jonyo Secondary School		40,000		ONGOING
Ongang Secondary School		400,000		ONGOING
Siburi Mixed Secondary School		5,000,000		ONGOING
St. John Seka Secondary School		1,149,910		ONGOING
St. Josephs Miranga Secondary School		1,000,000		ONGOING
Wagwe Mixed Secondary School		400,000		ONGOING
KOTOJE SEC			2,400,000	ONGOING
SIMBI SEC			3,500,000	ONGOING
MIRANGA SEC			5,400,000	ONGOING
KOWUOR SEC			6,500,000	ONGOING
SIMBI SEC			2,500,000	ONGOING
<b>Total</b>		<b>9,189,910</b>	<b>20,300,000</b>	
<b>9.0 Tertiary institutions Projects</b>		-		
<b>Total</b>		-		
<b>10.0 Security Projects</b>		-		
Kendu Bay Police Station		500,000		ONGOING
Koyugi Chiefs Office		250,000		ONGOING
North Karachuonyo Chiefs Office		250,000		ONGOING
Wangchieng Divisional Headquarters		700,000		ONGOING
Kendu Bay Police Station		-		ONGOING
Kendu Law Court		1,300,180		ONGOING

Wangcheng Divisional Headquarters					4,000,000	ONGOING
	KANAM CHIEFS				600,000	ONGOING
	ASSORTED ADM				4,000,000	ONGOING
	<b>Total</b>			<b>3,000,180</b>	<b>8,600,000</b>	
	<b>11.0 Acquisition of assets</b>			-		
	11.1 Motor Vehicles			-	104,000	ONGOING
	11.2 Construction of CDF office- Renovation			-	9,004,749	ONGOING
	<b>Total</b>			<b>-</b>	<b>9,108,749</b>	
	<b>12.0 Other payments</b>			-		
	<b>KENDU COURT</b>				1,350,000	ONGOING
	<b>Total</b>			-		
	<b>13.0 unallocated fund</b>					
	Unapproved projects					
	AIA			-		
	PMC savings					
	<b>Total</b>			<b>-</b>		
				<b>28,878,233</b>	<b>55,156,106</b>	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	13,387,004	-	-	13,387,004
Office equipment, furniture and fittings	442,000	-	-	442,000
ICT Equipment, Software and Other ICT Assets	678,495	-	-	678,495
<b>Total</b>	<b>14,507,499</b>			<b>14,507,499</b>

Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022

Pmc	Bank	Account Number	Date Opened	Bank Balance	Bank Balance
				2021/2022	2020/2021
Kobuya Primary School	Equity Bank Limited	1500282413256	16/03/2022	2,000,000	
Kanyaluo Police Post	Equity Bank Limited	1500282408967	16/03/2022	2,000,000	
Kobiero Location Chiefs Office	Equity Bank Limited	1500282353875	16/03/2022	1,750,000	
Achuth Primary Scholo	Equity Bank Limited	1500282398864	16/03/2022	1,200,000	
Osika Primary School	Equity Bank Limited	1500282420136	16/03/2022	800,000	
Nyakech Mixed Secondary School	Equity Bank Limited	1500282704418	16/03/2022	600,000	
Burlum Primary School	Equity Bank Limited	1500282442001	16/03/2022	500,000	
Liera Primary School	Equity Bank Limited	1500282416206	16/03/2022	1,200,000	
Nyangajo Primary School	Equity Bank Limited	098028022977	4/5/2021		234
Oyombe Primary School	Equity Bank Limited	09802802298484	4/5/2021		197
Alara Primary School	Equity Bank Limited	0980280244418	4/5/2021		1,240
<b>Total</b>				<b>10,050,000</b>	<b>1,671</b>



**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)



*[Handwritten Signature]*

Name: Galgalo Danso  
Fund Account Manager.