

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY	
DATE: 04 JUL 2023	
DAY: TUESDAY	
BY:	HON. JAMES BANYA, CBS, MP DEPUTY LEADER OF MAJORITY
OF:	INADP MWALE

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

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

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



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**RONGAI 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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## ***Rongai 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/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;

## **Rongai 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 Rongai Constituency NGCDF day-to-day management is under the following key organs:

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

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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	Kenneth Kamau
2.	Sub-County Accountant	Rahab W Mathu
3.	Chairman NGCDFC	Dr. Richard Moindi
4.	Member NGCDFC	Henry Koech Kipng'ok

**(d) Fiduciary Oversight Arrangements**

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

Rongai Cdf  
Kampi Ya Moto Bulding  
Nakuru/Ravine Road  
P.O.Box 12848-20100  
Nakuru, Kenya

**(f) RONGAI Constituency NGCDF Contacts**

Telephone: (254) 723745154  
E-mail:rongai@ngcdf.go.ke  
Website: [www.go.ke](http://www.go.ke)

**(g) Rongai Constituency NGCDF Bankers**

Bank Name: KENYA COMMERCIAL BANK  
Branch: NAKURU BRANCH  
Account Name: RONGAI NG - CDF  
Account Number: 1101849169

**(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**



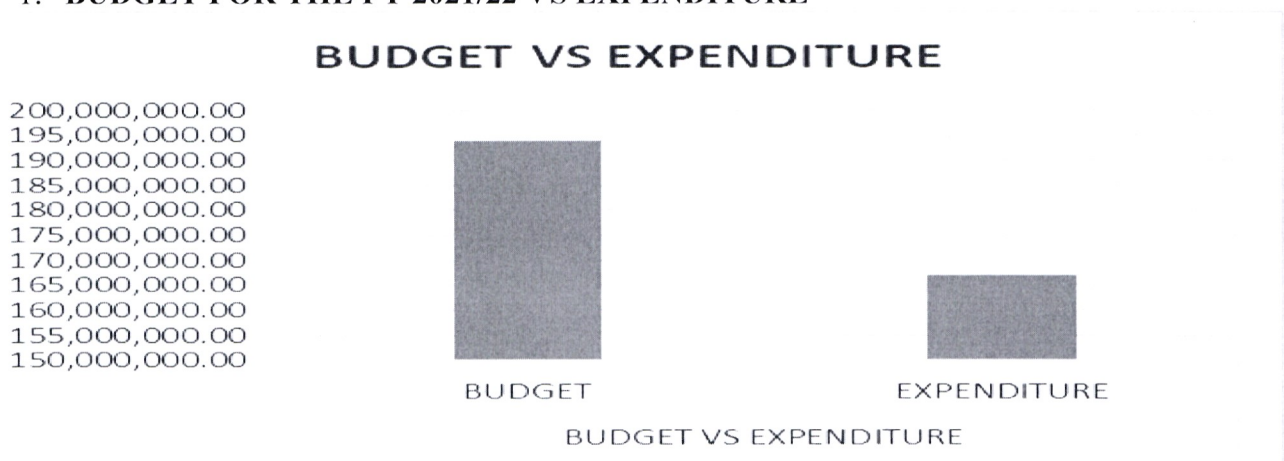
**Dr Richard C Moindi- Chairman NGCDF Rongai**

RONGAI NG-CDF has in the last financial year received a disbursement of **Kshs 167,111,732**. This includes unutilized funds of Ksh **56,937,873** from previous periods and Kshs **170,088,879** received as part of this year’s allocation of Kshs 137,088,879. This makes current balance of undisbursed funds from the Board to be Kshs 12,088,879.

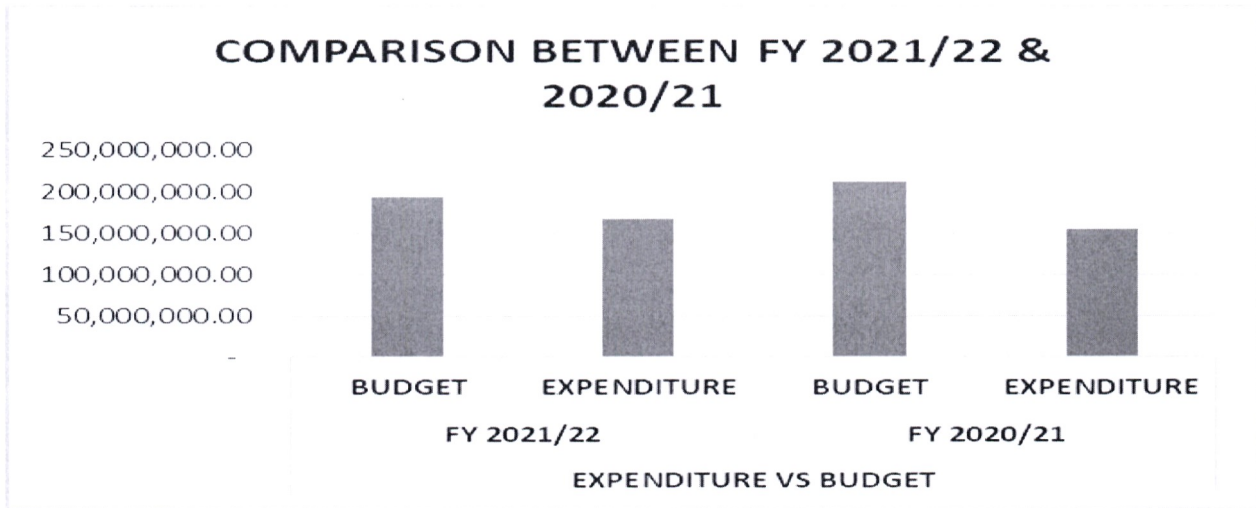
Out of the **Kshs 170,088,879** received, the constituency spent **Kshs 167,111,732**. This translates to a favourable absorption rate of 98% despite operating with a unique environmental context of post Covid-19 pandemic. Further, the amounts spent was over the current year allocation by 30,022,853.00 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**



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



**Key Achievements:**

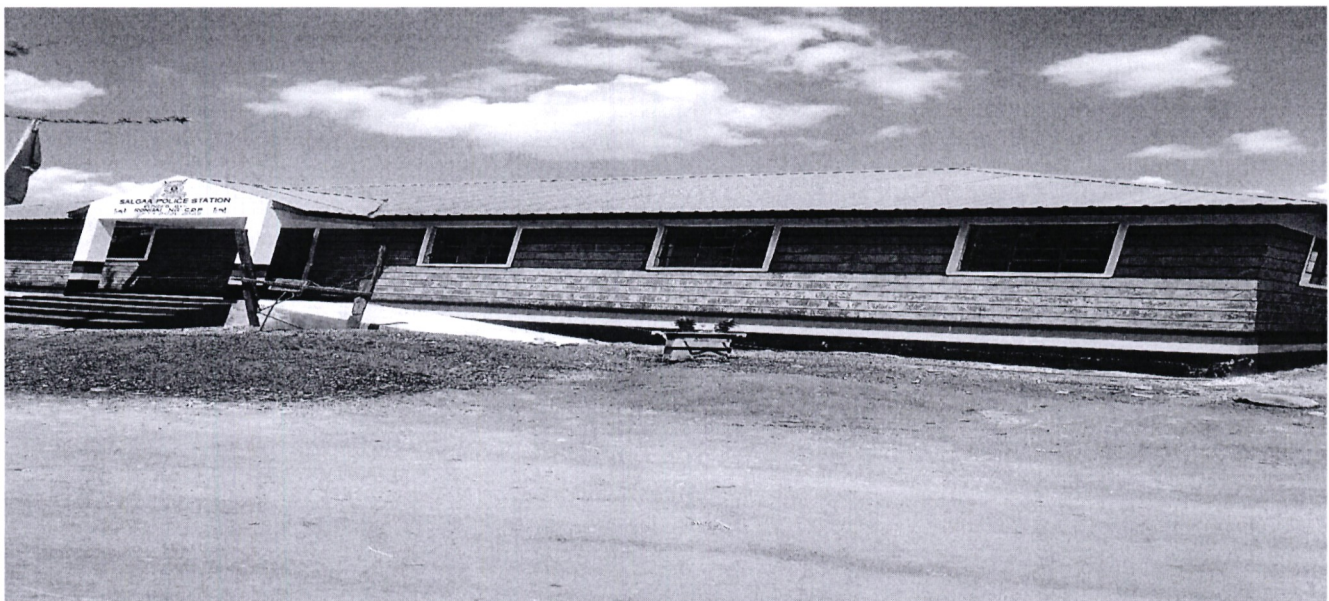
The greatest achievements are in project implementation which included improvement of learning structures in schools by construction of classrooms and administration blocks:

**Pictorials**

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

Sample of the classrooms constructed:

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



**1. BOROR PRIMARY SCHOOL- 5 CLASSROOMS**



**Emerging issues:**

Emerging issues include:

1. High demand for bursary due to high poverty index.
2. High cost of building materials due making the cost of building a classroom higher and hence less number are allocated funds in the Financial Year

**Challenges:**

1. Some schools are inaccessible due to poor road networks.
2. Insufficient funds.
3. Emergencies due to climatic changes.
4. Ministry of health guidelines on management of Covid-19.

A handwritten signature in blue ink, appearing to be 'DR. MOINDI', written over a dotted line.

**DR. RICHARD MOINDI  
CHAIRMAN NGCDF COMMITTEE**

## II. 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 *Rongai 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 from 650 to 750 in schools whereby 72 are primary school classrooms and 28 classes in secondary schools.</li> <li>-8 new dormitories and 6 administration blocks were constructed.</li> <li>- Bursary beneficiaries: 4,200 at various</li> </ul>

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				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 Rongai tournament	Improved youth empowerment	In the year 2021/22, management spent Kshs 1,543,670 carry out sports activities
Emergency	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

## **V. Environmental and Sustainability Reporting**

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

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

Rongai 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-**

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

.....  
**KENNETH KAMAU**  
**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-Rongai 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-Rongai 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 Rongai 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- Rongai Constituency further confirms the completeness of the accounting records maintained for the *Rongai*, 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.

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***National Government Constituencies Development Fund (NGCDF)***  
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The Accounting Officer in charge of the NGCDF Rongai 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 *Rongai* '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- Rongai Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2023.

.....  
**Name: DR Richard Moindi**  
**Chairman – NGCDF Committee**

.....  
**Name: Kenneth Kamau**  
**Finance Account Manager**

# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RONGAI 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 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 – Rongai Constituency set out on pages 1 to 47, 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

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

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 - Rongai 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 Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Unsupported Transfers to other Government Units**

The statement of receipts and payments reflects transfers to other government units of Kshs.100,650,000 as disclosed in Note 6 to the financial statements. However, the amount was not supported by project implementation status reports.

In the circumstances, the accuracy and completeness of transfers to other government units of Kshs.100,650,000 could not be confirmed.

### **2. Inaccuracies in Bank Balance**

The statement of assets and liabilities reflects bank balances of Kshs.14,842,971 as disclosed in Note 10A to the financial statements while the cash book reflects a balance of Kshs.14,773,471 resulting to unexplained variance of Kshs.69,500. In addition, the bank reconciliation statement reflects unpresented cheques of Kshs.8,864,636 out of which Kshs.897,900 were stale and had not been written back into the cash book. Further, bank charges of Kshs.63,697 have not been posted in the cash book.

In the circumstances, the accuracy and completeness of bank balance of Kshs.14,842,971 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 - Rongai 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 during the year under review.

## **Other Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget of Kshs.194,043,582 and actual on comparable basis of Kshs.181,954,703 resulting to underfunding of Kshs.12,088,879. Similarly, the statement reflects final payments budget of Kshs.194,043,582 and actual payments of Kshs.167,111,732 resulting to under absorption of Kshs.26,931,850 or 14%.

The under absorption implies that some of the planned projects and programmes were not implemented and may have negatively impacted on service delivery to the residents.

## **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 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**

#### **Unsupported Other Grants and Transfers**

The statement of receipts and payments reflects other grants and transfers expenditure of Kshs.57,659,393 as disclosed in Note 7 to the financial statements. The amount includes social security programmes (NHIF) of Kshs.1,998,000 which was not supported by policy documents and vetting reports. The amount also includes emergency projects of Kshs.5,050,000 out of which Kshs.2,000,000 was incurred on construction of two (2) classrooms at Tegunot Emarangishu Primary School without justification. This was contrary to Section 8(3) on the National Government Constituencies Development Fund Act, 2015 which states that "Emergency" shall be construed to mean an 'urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents'.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, 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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, 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**

### **Lack of Risk Management and Fraud Management Policies**

Review of risk management indicated that the Fund did not have a risk management policy in place and had no approved processes and guidelines on how to mitigate operational, financial and other risks. This was contrary to Section 165(1)(a) of the Public Finance Management (National Governments) Regulations, 2015 which requires the Accounting Officer to establish systems for internal control and risk management that supports robust business operations.

In the circumstances, the effectiveness of risk management could not be confirmed.

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its 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 comply with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

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

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



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

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**12 June, 2023**

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


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

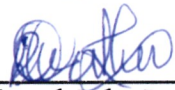
**VII. Statement of Receipts and Payments for the Year Ended 30th June 2022**

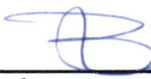
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	170,088,879	161,367,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>170,088,879</b>	<b>161,367,724</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,320,810	2,305,398
Use of goods and services	5	6,481,529	5,384,259
Transfers to Other Government Units	6	100,650,000	99,400,000
Other grants and transfers	7	57,659,393	47,844,834
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>167,111,732</b>	<b>154,934,491</b>
<b>SURPLUS/DEFICIT</b>		<b>2,977,147</b>	<b>6,433,233</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 09/09/2023 2023 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**

  
\_\_\_\_\_  
**National Sub-County  
Accountant**

  
\_\_\_\_\_  
**Chairman NG-CDF  
Committee**

**Name: Kenneth Kamau**

**Name: Rahab Mathu  
ICPAK M/No:**

**Name: DR Richard Moindi**

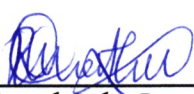
**II. Statement of Assets and Liabilities as At 30<sup>th</sup> June, 2022**


	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	14,842,971	11,865,824
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>14,842,971</b>	<b>11,865,824</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,842,971</b>	<b>11,865,824</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>14,842,971</b>	<b>11,865,824</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	11,865,824	5,415,761
Prior year adjustments	14		16,830
Surplus for the year		2,977,147	6,433,233
<b>NET FINANCIAL POSITION</b>		<b>14,842,971</b>	<b>11,865,824</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 04/07/2023 2023 and signed by:

  
**Fund Account Manager**

  
**National Sub-County  
 Accountant**

  
**Chairman NG-CDF  
 Committee**

**Name: Kenneth Kamau**

**Name: Rahab Mathu  
 ICPAK M/No:**

**Name: DR Richard Moindi**

**Rongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

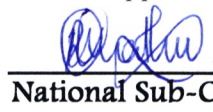
**IX. Statement of Cash Flows for the Year Ended 30th June 2022**

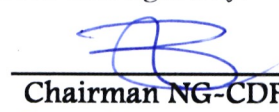
		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	170,088,879	161,367,724
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>170,088,879</b>	<b>161,367,724</b>
<b>Payments</b>			
Compensation of Employees	4	2,320,810	2,305,398
Use of goods and services	5	6,481,529	5,384,259
Transfers to Other Government Units	6	100,650,000	99,400,000
Other grants and transfers	7	57,659,393	47,844,834
Other Payments	9	-	-
<b>Total Payments</b>		<b>167,111,732</b>	<b>154,934,491</b>
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>2,977,147</b>	<b>6,433,233</b>
<b>Cashflow From Investing Activities</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>2,977,147</b>	<b>6,433,233</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>11,865,824</b>	<b>5,415,761</b>
<b>Prior years adjustment</b>		<b>-</b>	<b>16,830</b>
<b>Cash and cash equivalent at END of the year</b>	<b>10</b>	<b>14,842,971</b>	<b>11,865,824</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 22/07 2023 and signed by:

  
**Fund Account Manager**

  
**National Sub-County Accountant**

  
**Chairman NG-CDF Committee**

**Name: Kenneth Kamau**

**Name: Rahab Mathu**  
**ICPAK M/No:**

**Name: DR Richard Moindi**

**Kongai 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		Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b						
<b>Receipts</b>	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	d	e=c-d	f=d/c %	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>		
Transfers from NG-CDF Board	137,088,879	11,865,824	45,088,879	194,043,582	181,954,703	12,088,879	93.8%	
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%	
Other Receipts	-	-	-	-	-	-	-	
<b>TOTALS</b>	<b>137,088,879</b>	<b>11,865,824</b>	<b>45,088,879</b>	<b>194,043,582</b>	<b>181,954,703</b>	<b>12,088,879</b>	<b>93.8%</b>	
<b>PAYMENTS</b>								
Compensation of Employees	2,684,000	2,123,154	-	4,807,154	2,320,810	2,486,344	48.3%	
Use of goods and services	9,031,245	5,423,672	500,000	14,954,917	6,481,529	8,473,388	43.3%	
Transfers to Other Government Units	72,950,000	1,900,000	31,100,000	105,950,000	100,650,000	5,300,000	95.0%	
Other grants and transfers	52,423,634	2,418,998	13,488,879	68,331,511	57,659,393	10,672,118	84.4%	
Acquisition of Assets	-	-	-	-	-	-	-	
Other Payments	-	-	-	-	-	-	-	
Funds Pending Approval**	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>137,088,879</b>	<b>11,865,824</b>	<b>45,088,879</b>	<b>194,043,582</b>	<b>167,111,732</b>	<b>26,931,850</b>	<b>86.1%</b>	

- Employee compensation- provision for gratuity
- Transfer- Roll over projects funds already implemented
- Grants- roll over funds already disbursed

**Rongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	26,931,850
Less undisbursed funds receivable from the Board as at 30th June 2022	12,088,879
	14,842,971
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2021/2022	14,842,971

The Constituency financial statements were approved on \_\_\_\_\_ 2023 and signed by:



**Fund Account Manager**

**Name: Kenneth Kamau**



**National Sub-County Accountant**

**Name: Rahab Mathu  
ICPAK M/No:**



**Chairman NG-CDF Committee**

**Name: DR Richard Moindi**

**Kongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**X. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget(a)	Adjustments		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,684,000	2,123,154	-	4,807,154	2,320,810	2,486,344
1.2 Committee allowances	3,026,168	499,798		3,525,966	2,200,200	1,325,766
1.3 Use of goods and services	2,100,000	1,343,960	-	3,443,960	1,156,000	2,287,960
<b>Total</b>	<b>7,810,168</b>	<b>3,966,912</b>	<b>-</b>	<b>11,777,080</b>	<b>5,677,010</b>	<b>6,100,070</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,305,077	709,998	-	2,015,075	991,482	1,023,593
2.2 Committee allowances	1,700,000	2,869,916	500,000	5,069,916	1,657,291	3,412,625
2.3 Use of goods and services	900,000	-	-	900,000	476,556	423,444
<b>Total</b>	<b>3,905,077</b>	<b>3,579,914</b>	<b>500,000</b>	<b>7,984,991</b>	<b>3,125,329</b>	<b>4,859,662</b>

**Rongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
<b>3.0 Emergency</b>						
	7,192,207	-		7,192,207		7,192,207
3.1 Primary Schools					400,000	(400,000)
Morop Primary School					400,000	(400,000)
Lelechwet Primary School					400,000	(400,000)
OI-Rongai Secondary School					400,000	(400,000)
Boito Primary School					600,000	(600,000)
Kimangu Primary School					600,000	(600,000)
Seventy One Primary School				-	2,000,000	(2,000,000)
Tegunot Emarangishu primary School						-
3.3 Tertiary institutions						-
3.4 Security projects						-
East Gate Chiefs Office					250,000	(250,000)
3.5 Unutilised						-



**Kongu Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
<b>Total</b>	<b>7,192,207</b>	-	-	<b>7,192,207</b>	<b>5,050,000</b>	<b>2,142,207</b>
<b>4.0 Bursary and Social Security</b>				-		
4.1 Secondary Schools	18,135,494	1,783,327	4,990,879	24,909,700	22,104,818	2,804,882
4.2 Tertiary Institutions	13,400,000	335,671	2,000,000	15,735,671	17,662,905	(1,927,234)
4.3 Social Security	1,998,000		1,998,000	3,996,000	1,998,000	1,998,000
4.4 Special Needs	2,000,000		2,000,000	4,000,000	-	4,000,000
<b>Total</b>	<b>35,533,494</b>	<b>2,118,998</b>	<b>10,988,879</b>	<b>48,641,371</b>	<b>41,765,723</b>	<b>6,875,648</b>
<b>5.0 Sports</b>						
5	2,597,933			2,597,933	1,543,670	1,054,263
<b>Total</b>	<b>2,597,933</b>	-	-	<b>2,597,933</b>	<b>1,543,670</b>	<b>1,054,263</b>
<b>6.0 Environment</b>						
Banita chiefs office	300,000			300,000	300,000	-
Chemasis Chiefs office	300,000			300,000	300,000	-

**Rongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Magare Primary School	800,000			800,000	200,000	600,000
Ndarugo Chiefs office	300,000			300,000	300,000	-
Umoja chiefs office	300,000			300,000	300,000	-
East Gate Chiefs Office		300,000		300,000	300,000	-
<b>Total</b>	<b>2,000,000</b>	<b>300,000</b>	<b>-</b>	<b>2,000,000</b>	<b>1,700,000</b>	<b>600,000</b>
<b>7.0 Primary Schools Projects</b>						
Atebwa Primary School	1,050,000	-	-	1,050,000	1,050,000	-
Banita Primary School	1,800,000	-	-	1,800,000	1,800,000	-
Boito Primary school	500,000	-	-	500,000	500,000	-
Eroror Primary School	3,000,000	-	-	3,000,000	3,000,000	-
Burgei Primary School	4,200,000	-	-	4,200,000	4,200,000	-
Chemasis Primary	2,200,000	-	-	2,200,000	2,200,000	-
Chepseon Primary	4,000,000	-	-	4,000,000	4,000,000	-

**National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Emaragishu Primary	1,500,000	-	-	1,500,000	1,500,000	-
Kampi ya Moto Primary	2,000,000	-	-	2,000,000	2,000,000	-
Kandutura Primary	2,400,000	-	-	2,400,000	2,400,000	-
Kapsetek Primary	3,150,000	-	-	3,150,000	3,000,000	150,000
Kaptera Primary	1,050,000	-	-	1,050,000	1,000,000	50,000
Kipsaos Primary	1,050,000	-	-	1,050,000	1,050,000	-
Legetio Primary School	1,700,000	-	-	1,700,000	1,700,000	-
Leldet Primary School	2,200,000	-	-	2,200,000	2,200,000	-
Lords Rajuera Primary	600,000	-	-	600,000	600,000	-
Losibil Primary School	400,000	-	-	400,000	400,000	-
Menengai Primary	600,000	-	-	600,000	600,000	-
Moricho Primary	1,050,000	-	-	1,050,000	1,050,000	-
Ogilgei Primary School	2,300,000	-	-	2,300,000	2,300,000	-

**Rongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a)	Adjustments		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
Rongai Primary school	2,400,000			2,400,000	2,400,000	-
Ruyobey Primary	2,100,000			2,100,000	2,100,000	-
RVST Primary School	1,000,000			1,000,000	1,000,000	-
Set Kobor Primary	1,600,000			1,600,000	600,000	1,000,000
Sigito Primary School	2,100,000			2,100,000	2,000,000	100,000
Therando Primary	2,100,000			2,100,000	2,100,000	-
Tuiyomoi Primary	1,050,000			1,050,000	1,050,000	-
Tulwobmoi Primary	3,150,000			3,150,000	3,150,000	-
Testai Primary School		400,000		400,000	400,000	-
Set kobor Primary School		400,000		400,000	400,000	-
lukunga Primary School		700,000	-	700,000	700,000	-
Sarambei Primary School		400,000		400,000	400,000	-
Mwiteithia Primary School			1,000,000	1,000,000	1,000,000	-

National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Kanga Primary School			3,000,000	3,000,000	3,000,000	-
Koimugul Primary School			1,000,000	1,000,000	1,000,000	-
Thirandu Primary School			1,000,000	1,000,000	1,000,000	-
Boror Primary School			2,000,000	2,000,000	2,000,000	-
Tumaini Primary School			1,000,000	1,000,000	1,000,000	-
Ngata Primary School			2,000,000	2,000,000	2,000,000	-
Leakey Primary School			2,000,000	2,000,000	2,000,000	-
Leakey Primary School			800,000	800,000	800,000	-
Koyumtich Primary School			1,000,000	1,000,000	1,000,000	-
Kayanet Primary School			700,000	700,000	700,000	-
Kapsetek Primary School			1,500,000	1,500,000	1,500,000	-
Chepseon Primary School			2,500,000	2,500,000	2,500,000	-
Kapsetek Primary School			500,000	500,000	500,000	-

**Rongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Rafiki Primary School			2,000,000	2,000,000	2,000,000	-
<b>Total</b>	<b>52,250,000</b>	<b>1,900,000</b>	<b>22,000,000</b>	<b>76,150,000</b>	<b>74,850,000</b>	<b>1,300,000</b>
<b>8.0 Secondary Schools Projects</b>				-		
Bomasan Secondary	3,500,000			3,500,000	3,500,000	-
Keriko Secondary	3,500,000			3,500,000		3,500,000
Kimangu Day	3,500,000			3,500,000	3,500,000	-
Mema Secondary	5,000,000			5,000,000	4,500,000	500,000
Solai Day Secondary	300,000			300,000	300,000	-
Barina Secondary	2,700,000			2,700,000	2,700,000	-
Set Kobor Secondary	2,200,000			2,200,000	2,200,000	-
AIC Tulwobmoi Secondary School			1,000,000	1,000,000	1,000,000	-
Bomasan Secondary School			1,500,000	1,500,000	1,500,000	-

**Kongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Matuiku Secondary School			400,000	400,000	400,000	-
Muhigia Secondary School			500,000	500,000	500,000	-
O1-Rongai Secondary School			1,000,000	1,000,000	1,000,000	-
O1-Rongai Secondary School			1,200,000	1,200,000	1,200,000	-
St Paul Kiriko Secondary School			2,000,000	2,000,000	2,000,000	-
St Paul Kiriko Secondary School		-	1,500,000	1,500,000	1,500,000	-
<b>Total</b>	<b>20,700,000</b>	<b>-</b>	<b>9,100,000</b>	<b>29,800,000</b>	<b>25,800,000</b>	<b>4,000,000</b>
<b>9.0 Tertiary institutions Projects</b>						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10.0 Security Projects</b>						
Kambi ya moto ACCs office	3,000,000	-	-	3,000,000	3,000,000	-
Salgaa Police station	2,100,000	-	-	2,100,000	2,100,000	-

**Rongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Salgaa Police station			2,500,000	2,500,000	2,500,000	-
				-	-	-
				-	-	-
<b>Total</b>	<b>5,100,000</b>	<b>-</b>	<b>2,500,000</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>-</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles	-		-	-	-	-
11.2 Construction of CDF office	-		-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12.0 Others</b>						
12.1 Strategic Plan	-		-	-	-	-
12.2 Innovation Hub	-		-	-	-	-
<b>12.2</b>						



**Kongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
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Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Funds pending approval**						
Total	-	-	-	-	-	-
	137,088,879	11,865,824	45,088,879	193,743,582	167,111,732	26,931,850

(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-Rongai 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 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.

*Rongai Constituency  
National Government Constituencies Development Fund (NG-CDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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**XII. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

<b>Description</b>		<b>2021-2022</b>	<b>2020 - 2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	2019/2020/1410		20,000,000
Normal Allocation	2019/2020/1558		35,000,000
	2019/2020/1585		14,367,724
	2020/2021/0173		9,000,000
	2020/2021/0295		10,000,000
	2020/2021/0295		12,000,000
	2020/2021/0295		6,900,000
	2020/2021/0224		6,000,000
	2020/2021/0295		12,000,000
	2020/2021/0224		6,000,000
	2020/2021/0295		7,000,000
	2020/2021/0295		11,100,000
	2020/2021/0295		12,000,000
	2019/2020/1585	33,000,000	
	2021/2022/0094	44,000,000	
	2020/2021/0094	22,000,000	
	2021/2022/0095	5,000,000	
	2021/2022/0095	12,000,000	
	2021/2022/0095	12,000,000	
	2021/2022/0095	18,000,000	
	2021/2022/0095	24,088,879	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
<b>TOTAL</b>		<b>170,088,879</b>	<b>161,367,724</b>



*Notes to the Financial Statements (Continued)*

**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>	-	-

**Rongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

*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	2,292,010	2,186,358
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	28,800	119,040
<b>TOTAL</b>	<b>2,320,810</b>	<b>2,305,398</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	68,900	-
Electricity	-	-
Water & sewerage charges	39,500	38,280
Office rent		-
Communication, supplies and services	-	-
Domestic travel and subsistence	112,700	90,250
Printing, advertising and information supplies & services	794,591	297,774
Rentals of produced assets		-
Training expenses	991,482	648,000
Hospitality supplies and services	30,038	-
Other committee expenses	-	-
Committee allowance	2,200,200	1,296,000
Insurance costs	-	
Specialised materials and services	-	
Office and general supplies and services	1,156,000	1,164,000
Fuel , oil & lubricants	750,000	531,950
Other operating expenses	-	-
Bank service commission and charges	220,078	179,845
Other Operating Expenses	-	1,007,000
Security operations		-
Routine maintenance - vehicles and other transport equipment	118,040	131,160
Routine maintenance- other assets		

**Rongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

<b>TOTAL</b>	<b>6,481,529</b>	<b>5,384,259</b>
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*Notes to The Financial Statements (Continued)*

**6. Transfer to Other Government Units**

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	74,850,000	73,000,000
Transfers to Secondary Schools	25,800,000	26,400,000
Transfers to Tertiary Institutions		
<b>TOTAL</b>	<b>100,650,000</b>	<b>99,400,000</b>

**7. Other Grants and Other transfers**

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary ( see attached list)	22,104,818	17,078,827
Bursary -Tertiary ( see attached list)	17,662,905	21,307,687
Bursary- Special Schools	-	-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	1,998,000	
Security Projects ( see attached list)	7,600,000	3,400,000
Sports Projects ( see attached list)	1,543,670	2,608,320
Environment Projects ( see attached list)	1,700,000	-
Emergency Projects ( see attached list)	5,050,000	3,450,000
<b>TOTAL</b>	<b>57,659,393</b>	<b>47,844,834</b>

**8. Acquisition of Assets**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Rongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**Notes To the Financial Statements (Continued)**

**9. Other Payments**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
ICT Hub	-	-
	--	--

**10: Cash Book Bank Balance**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
		<b>Kshs</b> <b>(30/6/2022)</b>	<b>Kshs</b> <b>(30/6/2021)</b>
<i>Kenya Commercial Bank, Rongai NG-CDF</i>	<i>A/C no.1101849169</i>	14,842,971	11,865,824
Equity Bank		-	-
		-	-
<b>TOTAL</b>		<b>14,842,971</b>	<b>11,865,824</b>

**Rongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**11: Outstanding Imprests**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>CDF Rongai</i>	30.04.2022	123,000	123,000	-
<i>CDF Rongai</i>	30.04.2022	602,000	602,000	-
<i>CDF Rongai</i>	1.11.2021	260,000	260,000	-
<i>CDF Rongai</i>	31.05.2022	188,000	188,000	-
<i>CDF Rongai</i>	18.01.2022	90,000	90,000	-
<i>CDF Rongai</i>	18.01.2022	57,000	57,000	-
<i>CDF Rongai</i>	18.01.2022	129,000	129,000	-
<i>CDF Rongai</i>	18.01.2022	119,000	119,000	-
<i>CDF Rongai</i>	18.01.2022	124,000	124,000	-
<i>CDF Rongai</i>	18.01.2022	95,200	95,200	-
<i>CDF Rongai</i>	24.02.2022	57,000	57,000	-
<i>CDF Rongai</i>	27.07.2021	60,000	60,000	-
<i>CDF Rongai</i>	28.06.2022	52,000	52,000	-
<i>CDF Rongai</i>	20.04.2022	52,000	52,000	-
<i>Cdf Rongai</i>	17.11.2021	60,200	60,200	-
<i>CDF Rongai</i>	30.04.2022	449,000	449,000	-
<b>Total</b>		<b>2,517,400</b>	<b>2,517,400</b>	-

**Rongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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**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]

Notes to the Financial Statements (Continued)

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	11,865,824	5,415,761
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>11,865,824</b>	<b>5,415,761</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	-	16,830	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>-</b>	<b>16,830</b>	<b>-</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	-	-
Changes in Account Receivables E= D-A	-	-

**Rongai Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

*Notes to the Financial Statements (Continued)*

**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	-	-
Changes in Accounts Payable E= D-E	-	-



*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	2,486,344	2,123,154
Use of goods and services	8,473,388	9,326,852
Amounts due to other Government entities (see attached list)	5,300,000	18,000,000
Amounts due to other grants and other transfers (see attached list)	10,655,288	24,033,253
Acquisition of assets	-	-
Others ( <i>specify</i> )	-	-
Funds pending approval	-	-
	<b>26,915,020</b>	<b>56,937,873</b>

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	9,895,992	23,709,732
<b>Total</b>	<b>9,895,992</b>	<b>23,709,732</b>

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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	
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
Sub-Total					
Grand Total					

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

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 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	
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	Employee Salary	2,486,344	2,123,154	ongoing
1.2 Committee allowances	Com allowance	1,325,766	2,499,798	ongoing
1.3 Use of goods and services	com Goods and services	2,287,960	1,927,015	ongoing
<b>Total</b>		<b>6,100,070</b>	<b>6,549,967</b>	
<b>2.0 Monitoring and evaluation</b>				
2.1 Capacity building	Training expenses	1,023,593	1,709,998	ongoing
2.2 Committee allowances	Com allowance	3,412,625	3,369,916	ongoing
2.3 Use of goods and services	com Goods and services	423,444		ongoing
<b>Total</b>		<b>4,859,662</b>	<b>5,079,914</b>	
<b>3.0 Emergency</b>				
3.5 Unutilised	Unforeseen circumstances	-	-	ongoing
<b>Total</b>		<b>2,142,207</b>		
<b>4.0 Bursary and Social Security</b>				
<b>Total</b>	Bursary for the needy	<b>6,858,818</b>	<b>13,091,047</b>	<b>ongoing</b>
<b>5.0 Sports</b>				

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2021/2022</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
<b>Total</b>	Sports equipments	1,054,263	3,454,615	ongoing
<b>6.0 Environment</b>				
<b>Total</b>		-	1,900,000	ongoing
<b>7.0 Primary Schools Projects</b>				
Kapsetek Primary	Construction of three classrooms to completion.	150,000	-	ongoing
Kaptera Primary	Construction of one classroom to completion.	50,000	-	ongoing
Set Kobor Primary	Renovation of five classrooms.	1,600,000	-	ongoing
Sigito Primary School	Construction of two classrooms.	100,000	-	ongoing
	Renovation Of seven Classrooms Floor Screeding, Plastering Window Glazing and Painting And Replacement Of Iron Sheets to completion		2,000,000	ongoing
	Renovation of nine classrooms , floor screeding , plastering, window glazing and painting and replacement of iron sheets to completion.		3,000,000	ongoing
Kanga Primary School	Construction of two classrooms to completion.	-	1,000,000	ongoing
Koimugul Primary School	Fencing a distance of 486 meters,with treated eucalyptus posts and chain link to completion	-	300,000	ongoing
Maciario Primary School				

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2021/2022</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
Mwiteithia Primary School	Construction Of two Classrooms To Completion.		1,000,000	ongoing
Ngata Primary School	Renovation Of three Classrooms Floor Screeding, Plastering Window Glazing And Painting And Replacement Of Iron Sheets		2,000,000	ongoing
Rafiki Primary School	Construction of two classrooms to completion		2,000,000	ongoing
Set Kobor Primary School	Renovation Of seven Classrooms Floor Screeding, Plastering Window Glazing and Painting and Replacement Of Iron Sheets to completion		1,000,000	ongoing
Thirando Primary School	Construction of two classrooms to completion.		1,000,000	ongoing
Tumaini Primary School	Construction of two classroom to completion		1,000,000	ongoing
<b>Total</b>			<b>14,300,000</b>	
<b>Total</b>		<b>1,900,000</b>		
<b>8.0 Secondary Schools Projects</b>				
Keriko Secondary School	Construction of a laboratory	3,500,000		
Mema Secondary school	Construction of a dining hall	500,000		
Muhiga Secondary School	Construction and equipping of 80 student laboratory to completion		500,000	
Olrongai Secondary School	Construction of 80 student capacity Dormitory School to completion		2,200,000	
Tulwobmoi Secondary School	Construction of one classroom to completion		1,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Total		4,000,000 26,915,020	3,700,000 56,937,903	





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**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2020/21</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2021/22</b>
Land	–	–	–	–
Buildings and structures	–	–	–	–
Transport equipment	7,841,000	–	–	7,841,000
Office equipment, furniture and fittings	432,820	–	–	432,820
ICT Equipment, Software and Other ICT Assets	631,552	–	–	631,552
<b>Total</b>	<b>8,905,372</b>		–	<b>8,905,372</b>

**Rongai Constituency****National Government Constituencies Development Fund (NG-CDF)****Annual Report and Financial Statements for The Year Ended June 30, 2022****Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

<b>PMC NAME</b>	<b>ACCOUNT NUMBER</b>	<b>BANK</b>	<b>DATE A/C OPENED</b>	<b>BALANCE AS AT 30/6/2022</b>
A.I.C KABARNET FARM PRIMARY SCHOOL	40130000006	ACCESS BANK	5/24/2018	175.00
A.I.C TULWOBMOI PRIMARY SCHOOL	80130000084	ACCESS BANK	1/16/2019	33,423.00
ARUS PRIMARY SCHOOL	80130000101	ACCESS BANK	3/2/2018	5,069.00
ATHINAI PRIMARY SCHOOL	80130000066	ACCESS BANK	5/24/2018	4,353.00
BANITA PRIMARY SCHOOL	80130000099	ACCESS BANK	3/19/2021	467.00
BARINA PRIMARY SCHOOL	80130000069	ACCESS BANK	1/16/2019	821,006.00
BARINA SECONDARY SCHOOL	80130000045	ACCESS BANK	5/24/2018	43,759.00
BELBUR PRIMARY SCHOOL	80130000056	ACCESS BANK	1/16/2019	1,422.00
BOROR SECONDARY SCHOOL	80130000030	ACCESS BANK	5/24/2018	138.00
BRIGHT HOPE LOMOLO PRIMARY SCHOOL	80130000076	ACCESS BANK	1/14/2020	394,838.38
CHELITIT PRIMARY SCHOOL	80100000069	ACCESS BANK	5/24/2018	27,291.00
CHEMARMAR PRIMARY SCHOOL	80130000072	ACCESS BANK	3/19/2021	5,395.00
CHEMASIS SECONDARY SCHOOL	40100000363	ACCESS BANK	5/24/2018	2,517,956.00
EMARANGISHU PRIMARY SCHOOL	80130000039	ACCESS BANK	5/24/2018	3,257.00
KAMOSOP SECONDARY SCHOOL	80130000070	ACCESS BANK	5/24/2018	36,562.16
KAMPI YA MOTO PRIMARY SCHOOL	80100000099	ACCESS BANK	1/16/2019	80,003.00
KAPKECHUI-SARAMBEI PRIMARY SCHOOL	80130000051	ACCESS BANK	1/14/2020	10,296.00
KAPSETEK SECONDARY SCHOOL	80130000098	ACCESS BANK	1/14/2020	13,993.00
KAPTCH -KINOYO PRIMARY SCHOOL	80130000067	ACCESS BANK	3/19/2021	49,001.85
KAPTERA PRIMARY SCHOOL	80100000048	ACCESS BANK	1/14/2020	4,714.00
KERMA PRIMARY SCHOOL	80130000104	ACCESS BANK	5/24/2018	192,785.25
KERMA SECONDARY SCHOOL	80130000062	ACCESS BANK	1/14/2020	510,173.00
KIMANGU DAY SECONDARY SCHOOL	40130000011	ACCESS BANK	3/19/2021	233,576.00
KIPSAOS PRIMARY SCHOOL	80130000027	ACCESS BANK	5/24/2018	134,198.00
KIPSYENAN PRIMARY SCHOOL	80130000054	ACCESS BANK	1/14/2020	652,932.00
KIPSYENAN SECONDARY SCHOOL	80130000058	ACCESS BANK	1/16/2019	37,545.00

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<b>PMC NAME</b>	<b>ACCOUNT NUMBER</b>	<b>BANK</b>	<b>DATE A/C OPENED</b>	<b>BALANCE AS AT 30/6/2022</b>
KIRIKO-SUBUKIA PRIMARY SCHOOL	80130000079	ACCESS BANK	1/16/2019	45,258.50
KOIMUNGUL PRIMARY SCHOOL	80100000135	ACCESS BANK	5/24/2018	21,484.00
KOISAMO MIXED SECONDARY SCHOOL	80130000100	ACCESS BANK	1/14/2020	21,335.00
KOKWOMOI PRIMARY SCHOOL	80130000055	ACCESS BANK	3/19/2021	3,392.00
KOYUMTICH PRIMARY SCHOOL	80130000094	ACCESS BANK	1/14/2020	88,022.00
LAKE SOLAI SECONDARY SCHOOL	80130000042	ACCESS BANK	3/19/2021	919.00
LEDET SECONDARY SCHOOL	80130000036	ACCESS BANK	10/15/2021	57,581.00
LELECHWET PRIMARY SCHOOL	80130000077	ACCESS BANK	1/14/2020	60,174.00
LENGINET SECONDARY SCHOOL	80130000083	ACCESS BANK	1/16/2019	3,062.00
LOSIBIL PRIMARY SCHOOL	80130000112	ACCESS BANK	3/19/2021	30,983.20
LOWER SOLAI PRIMARY SCHOOL	80130000032	ACCESS BANK	10/15/2021	16,229.00
LUKUNGA PRIMARY SCHOOL	40130000010	ACCESS BANK	5/24/2018	1,949.00
MAGARE PRIMARY SCHOOL	80130000053	ACCESS BANK	1/14/2020	11,918.00
MAJANI MINGI PRIMARY SCHOOL	80130000095	ACCESS BANK	3/19/2021	9,000.00
MAJANI MINGI SECONDARY SCHOOL	80130000057	ACCESS BANK	1/16/2019	43,847.00
MAMA NGINA KENYATTA SECONDARY SCHOOL	80130000088	ACCESS BANK	1/14/2020	2,340.00
MANGU PRIMARY SCHOOL	80130000081	ACCESS BANK	3/19/2021	41,293.61
MATUIKU PRIMARY SCHOOL	80130000085	ACCESS BANK	1/14/2020	2,018.70
MATUIKU SECONDARY SCHOOL	80130000044	ACCESS BANK	5/24/2018	28,122.00
MIMWAITA PRIMARY SCHOOL	80100000132	ACCESS BANK	1/14/2020	48,921.00
MIMWAITA SECONDARY SCHOOL	80100000054	ACCESS BANK	3/19/2021	69,211.00
MIREMA PRIMARY SCHOOL	40100000229	ACCESS BANK	1/14/2020	44,114.00
MOGOIWET PRIMARY SCHOOL	40100000160	ACCESS BANK	3/19/2021	52,612.00
MOROP PRIMARY SCHOOL	80100000060	ACCESS BANK	1/16/2019	38,465.00
MUHIGIA SECONDARY SCHOOL	80130000103	ACCESS BANK	3/19/2021	27,770.00
MURICHO PRIMARY SCHOOL	80130000096	ACCESS BANK	1/16/2019	7,840.00
MWITEITHIA PRIMARY	80130000073	ACCESS BANK	10/15/2021	140,805.00

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<b>PMC NAME</b>	<b>ACCOUNT NUMBER</b>	<b>BANK</b>	<b>DATE A/C OPENED</b>	<b>BALANCE AS AT 30/6/2022</b>
NAITHUITI PRIMARY SCHOOL	80100000133	ACCESS BANK	1/14/2020	1.00
NGATA PRIMARY SCHOOL	80130000038	ACCESS BANK	10/15/2021	310.00
NGESUMIN PRIMARY SCHOOL CDF	80130000040	ACCESS BANK	1/14/2020	129,131.00
NYAMAMITHI PRIMARY SCHOOL	80130000052	ACCESS BANK	10/15/2021	77,851.00
OGILGEI PRIMARY SCHOOL	80130000102	ACCESS BANK	5/24/2018	404,202.00
OLONGAI PRIMARY SCHOOL	80130000041	ACCESS BANK	5/24/2018	67,957.00
OLRONGAI SECONDARY SCHOOL	80100000025	ACCESS BANK	10/15/2021	56,033.00
R.V.S.T PRIMARY SCHOOL	80130000080	ACCESS BANK	5/24/2018	9,045.00
RAFIKI FARM PRIMARY SCHOOL	80130000071	ACCESS BANK	1/14/2020	50,613.00
RONGAI SECONDARY SCHOOL	80130000111	ACCESS BANK	10/15/2021	35,161.00
RUIYOBEI CHIEFS OFFICE	80130000035	ACCESS BANK	5/24/2018	3,587.00
SARAMBEI PRIMARY SCHOOL	80130000114	ACCESS BANK	10/15/2021	76,580.00
SARAMBEI SECONDARY SCHOOL	80130000090	ACCESS BANK	1/14/2020	309,133.00
SAWATII PRIMARY SCHOOL	80130000028	ACCESS BANK	5/24/2018	1,384,517.00
SET KOBOR SECONDARY SCHOOL	40100000211	ACCESS BANK	1/14/2020	53,247.00
SIGITO PRIMARY SCHOOL	80130000034	ACCESS BANK	5/24/2018	1,216.00
SOLAI DAY SECONDARY SCHOOL	80130000029	ACCESS BANK	10/15/2021	18,299.00
SOLAI KALE SECONDARY SCHOOL	80130000087	ACCESS BANK	1/16/2019	4,895.00
TESTAI PRIMARY SCHOOL	80130000059	ACCESS BANK	10/15/2021	1,806.00
THIRANDU PRIMARY SCHOOL	80130000097	ACCESS BANK	1/14/2020	101,202.00
TUIYOMOI PRIMARY SCHOOL	80100000134	ACCESS BANK	10/15/2021	61,654.00
TUIYOTICH MIXED SECONDARY SCHOOL	80130000105	ACCESS BANK	10/15/2021	61,930.00
TUIYOTICH PRIMARY SCHOOL	40130000007	ACCESS BANK	1/16/2019	6,783.00
TUMAINI PRIMARY SCHOOL	80130000074	ACCESS BANK	1/16/2019	210.00
UMOJA SECONDARY SCHOOL	80130000107	ACCESS BANK	10/15/2021	7,130.00
CHEMASIS CHIEFS OFFICE	0130280574956	EQUITY BANK	3/5/2020	4,001.00
KAYANET PRIMARY SCHOOL	0130280201751	EQUITY BANK	5/24/2018	16,148.20
KIROBON PRIMARY SCHOOL	0130280564973	EQUITY BANK	1/14/2020	41,430.00

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<b>PMC NAME</b>	<b>ACCOUNT NUMBER</b>	<b>BANK</b>	<b>DATE A/C OPENED</b>	<b>BALANCE AS AT 30/6/2022</b>
LEGETIO PRIMARY SCHOOL	0130280302547	EQUITY BANK	3/19/2021	117,867.50
MERCY NJERI SECONDARY SCHOOL	0130280201370	EQUITY BANK	3/19/2021	953.40
MWITEITHIA CHIEFS OFFICE	0130280201581	EQUITY BANK	5/24/2018	4,247.50
RAJUERA LORDS PRIMARY SCHOOL	0130280302564	EQUITY BANK	5/24/2018	1,127.50
SOLAI DAY SECONDARY SCHOOL	0130280201406	EQUITY BANK	5/24/2018	2,187.50
MENENGAI PRIMARY SCHOOL	1178907570	KCB BANK	1/14/2020	48,899.00
KIAMUNYI SECONDARY SCHOOL	1257838024	KCB BANK	10/15/2021	3,643.00
				<b>9,895,992.25</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)
1.1	Note 7 to the financial statements reflects bursary to secondary schools of Kshs.1,425,399 for the year ended 30 June 2021. However, the supporting schedule provided for audit reflected a balance of Kshs.1,006,000 and hence a variance of Kshs.419,399. No explanation has been given for the variance.	The financial statement were amended as advised by the office.	Resolved	May 30 <sup>th</sup> 2022
3.3	The statement of cash flows reflects net cash flow from operating activities of Kshs.46,434,645 instead of negative Kshs.3,029,473 and therefore the statement is inaccurate. No explanation has been given for the misstatement.	The financial statements were amended as advised by the office.	Resolved	May 30 <sup>th</sup> 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.6	<p>expenditure of Kshs.4,842,702 was incurred on use of goods and services. Out of this amount, an expenditure of Kshs.108,330 was incurred on printing, advertising and information supplies and Kshs.95,000 on routine maintenance- vehicles and other transport equipment. However, no store ledgers cards were maintained and it was therefore not possible to confirm delivery and usage of the items bought. In the circumstances, the propriety of the expenditure of Kshs.203,330 could not be confirmed.</p>	<p>The documents were availed to the Auditor for verification</p>	<p>Resolved</p>	<p>30<sup>th</sup> May 2022</p>

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**Name: Kenneth Kamau**  
**Fund Account Manager.**