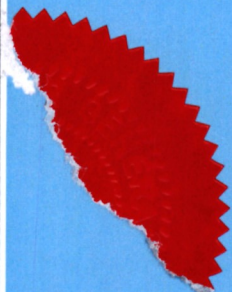


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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# REPORT

## OF

# THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

DATE: 04 JUL 2023

DAY:  
TUESDAY

TABLED  
BY:

Hon. Owen Baya, MP  
Deputy Leader, Majority Party

CLERK-AT  
THE-TABLE:

Irofu Mwale

ON

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SUBUKIA CONSTITUENCY

### FOR THE YEAR ENDED 30 JUNE, 2022





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SUBUKIA CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022

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



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## I. Key Constituency Information and Management

### (a) Background information

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

### Mandate

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

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

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



**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Gloria Keitany
2.	Sub-County Accountant	John Chege
3.	Chairman NGCDFC	Shadrack Muirui
4.	Member NGCDFC	Erastus Chege

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 68,  
Subukia,  
Nakuru-Nyahururu Highway,  
Subukia, Kenya.

**(f) Subukia Constituency NGCDF Contacts**

Telephone: (+254) 728 776 506,  
E-mail: [subukiangcdf@gmail.com](mailto:subukiangcdf@gmail.com)  
Website: [www.subukia.ngcdf.go.ke](http://www.subukia.ngcdf.go.ke)

**(g) Subukia Constituency NGCDF Bankers**

Equity Bank,  
P.O. Box 75104,  
Nakuru Gate House Branch,  
Nakuru, Kenya.  
Account Number:1460262029565

**(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**



***Shadrack Muiruri- Chairman NGCDF Subukia***

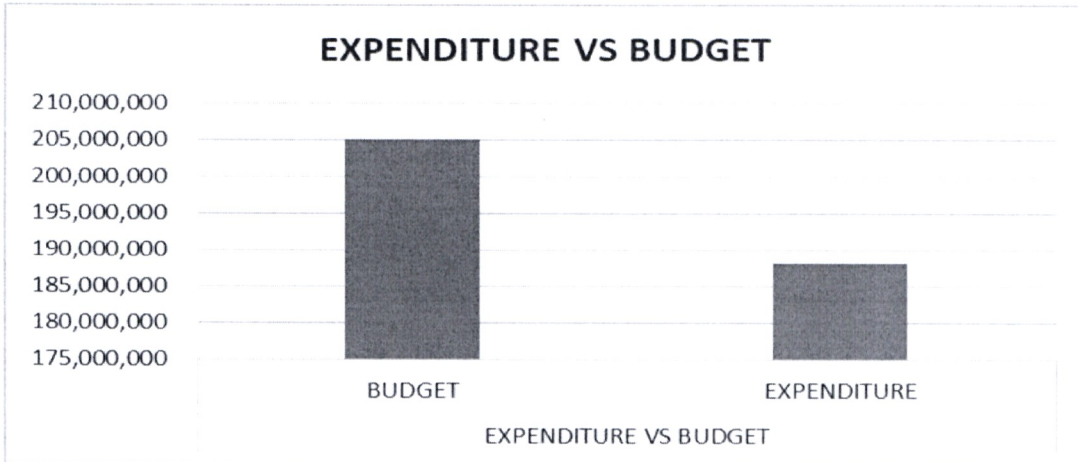
Subukia NG-CDF has in the last financial year received a disbursement of Kshs 182,177,758

This includes unreceived funds of Kshs 45,088,879 from previous periods and Kshs 137,088,879 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 0. (NIL)

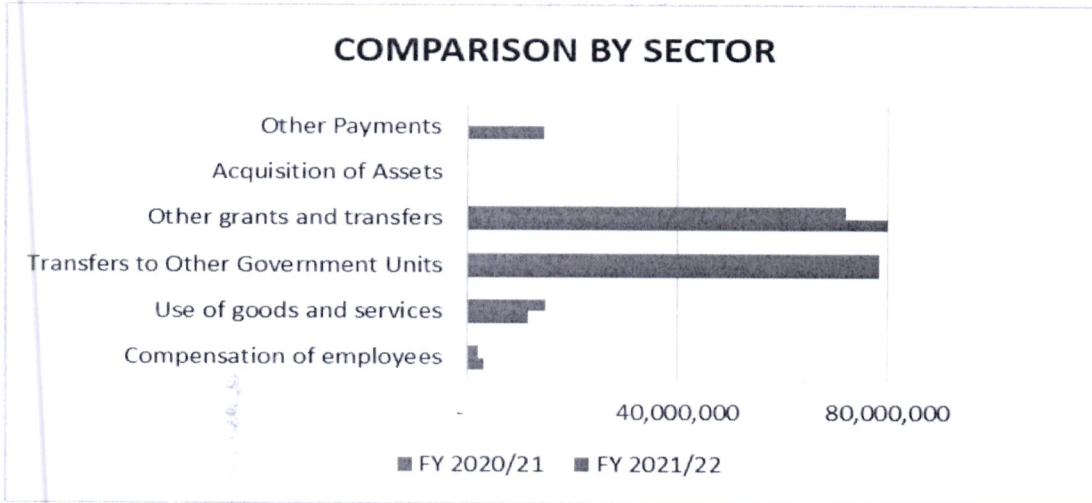
Therefore, out of the cumulative approved budget of Kshs 205,151,209, the constituency spent Kshs 188,213,098. This translates to a favourable absorption rate of 100%, despite operating with a unique environmental context of post Covid-19 pandemic. Further, the amounts spent was over the current year allocation by Kshs 30,022,853 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 BY SECTOR



**Key Achievements:**

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

**Emerging issues:**

Emerging issues include:

1. High demand for bursary due to high poverty index.
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:**

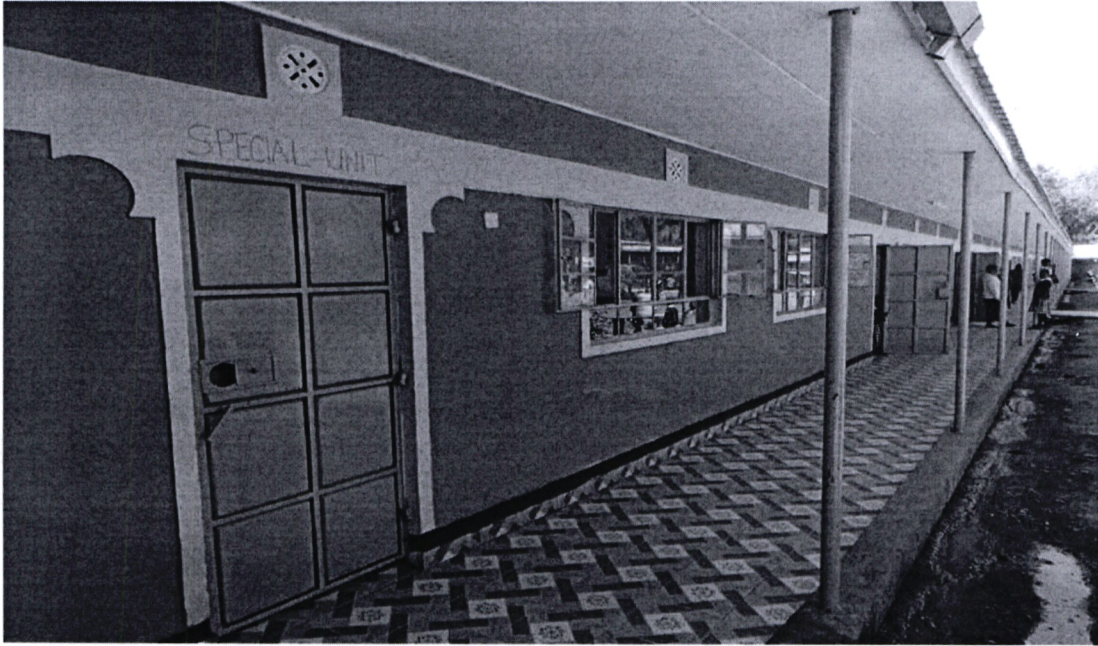
1. Some schools are inaccessible due to poor road networks

**Pictorials**

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

Sample of the classrooms constructed:





OUR LADY OF VICTORIES PRIMARY-Renovation of 11 classrooms



KABAZI POLICE POST- Construction of police post offices



**OLDONYO MARA SECONDARY-Construction of Administration block**

*Shadrack Muiruri*

.....

**Name: Shadrack Muiruri  
Chairman NGCDF Committee**



### III. Statement of Performance against Predetermined Objectives for FY2021/22

#### Introduction

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

The key development objectives of *Subukia 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 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	- Number of usable physical infrastructure build in primary, secondary, and tertiary institutions - Number of	In FY 2021/22 we have constructed 20 Classrooms in primary school, 15 in secondary schools, 10 administration blocks in secondary, renovated 15 classrooms in primary schools, Bursary beneficiaries: over 14,000 students

*Subukia Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for the year ended June 30, 2022*

			bursary beneficiaries at all levels	benefitted from the fund in various 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 constructed toilets to improve health standards of students.
Sports	To empower youth through sports activities	Increased sports activities through Subukia tournament	Improved youth empowerment	In the year 2021/22, management conducted successful tournament within the constituency
Emergency	To be able to urgently address unforeseen occurrences in the Constituency	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen occurrences.	Improved response to unforeseen occurrences	In the FY 2021/22, the management responded to various emergency projects within the constituency as per the NG-CDF guidelines

**IV. Environmental and Sustainability Reporting**

Subukia 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 Subukia NG CDF, the committee funds the following key sectors with the following sustainable priorities;

- a. **Education and Training:** Subukia 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; Subukia 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 construction of toilets to improve health standards of students
- 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.

## **2. Environmental performance**

NG-CDF Subukia carried out environmental activities in the FY 2021/22 to a tune of Kshs 3,500,000. 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. Subukia 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 NHIF. Employees are encouraged and supported to continually build on their skills and knowledge. Subukia 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.

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

Subukia 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**

Subukia 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 Subukia 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**

This is the process that directly engages the concerned stakeholders in decision-making and considers public input in making that decision.

The Subukia 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.

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



.....

Name: Gloria Keitany

Fund Account Manager

#### 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-Subukia 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-Subukia 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 Subukia NG-CDF 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 in charge of the NGCDF-Subukia Constituency further confirms the completeness of the accounting records maintained for the Subukia, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Subukia 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



*Subukia Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for the year ended June 30, 2022*

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used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Subukia NG-CDFC 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 - Subukia Constituency financial statements were approved and signed by the Accounting Officer on 26<sup>th</sup> April 2023.



.....  
Name: Shadrack Muiruri  
Chairman – NGCDF Committee



.....  
Name: Gloria Keitany  
Finance Account Manager



# REPUBLIC OF KENYA



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

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

*Enhancing Accountability*

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Subukia Constituency set out on pages 1 to 38,



which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1.0 Unsupported Transfers to Other Government Units**

The statement of receipts and payments reflects transfers to other government units of Kshs.78,620,316 as disclosed in Note 6 to the financial statements. However, the project management bank statements, expenditure returns and project implementation status reports were not provided for audit.

In the circumstances, the accuracy and completeness of transfers to other Government units of Kshs.78,620,316 could not be confirmed.

#### **2.0 Project Management Committee Account Balances**

Note 17.4 to the financial statements reflects Project Management Committee account balances of Kshs.23,486,301 held in one hundred and seven (107) bank accounts as disclosed in Annex 5. However, the certificate of bank balances in support of this balance reflected Kshs.35,107,065 resulting to an unreconciled variance of Kshs.11,620,764. Further, the balance includes Kshs.357,763 held in seventy-two (72) bank accounts in respect of closed projects that had not been refunded back to the Fund Account. This is contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires unutilized funds to be returned to the Constituency Development Fund Account.

In the circumstances, the accuracy and completeness of the Project Management Committee account balances of Kshs.23,486,301 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 - Subukia Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the



ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

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

### Other Matter

#### Budgetary Control and Performance

The summary statement of appropriation reflects that the Fund spent Kshs.188,213,098 against an approved budget of Kshs.205,151,209 resulting to an under-expenditure of Kshs.16,938,111 or 8 % of the budget.

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

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

### Conclusion

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

### Basis for Conclusion

#### 1. Projects Implementation

Review of records revealed that ninety (90) projects with a cost of Kshs.119,698,184 were implemented and the project implementation status report as of 30 June, 2022 indicated that twenty-six (26) projects valued at Kshs.39,292,056 were incomplete due to slow tendering processes and delays in receipt of funds from the Board as detailed below:

Sector/ Programme Details	Budgeted for Projects		Implemented Projects		Unimplemented Projects	
	No. of Projects	Amount (Kshs.)	No. of Projects	Amount (Kshs.)	No. of Projects	Amount (Kshs.)
Transfer to Primary Schools	36	60,070,316	27	36,378,260	9	23,692,056
Transfer to Secondary Schools	11	17,400,000	8	10,700,000	3	6,700,000
Social Security Benefits	2	2,400,000	0	0	2	2,400,000
Environment	5	3,500,000	5	3,500,000	0	0



Sector/ Programme Details	Budgeted for Projects		Implemented Projects		Unimplemented Projects	
	No. of Projects	Amount (Kshs.)	No. of Projects	Amount (Kshs.)	No. of Projects	Amount (Kshs.)
Security	15	9,400,000	7	4,900,000	8	4,500,000
Emergency	12	6,450,000	8	4,450,000	4	2,000,000
Sports	2	5,486,356	2	5,486,356	0	0
Other Payments	5	14,991,512	5	14,991,512	0	0
<b>Total</b>	<b>88</b>	<b>119,698,184</b>	<b>62</b>	<b>80,406,128</b>	<b>26</b>	<b>39,292,056</b>

Projects verification of fifteen (15) sampled projects with a cost of Kshs.26,240,000 carried out in the month of March, 2023 revealed that the projects were not labelled or handed over upon completion. This is contrary to the National Government Constituencies Development Fund Regulations, 2016, Regulation 15(1)(f) which requires the Project Management Committee to undertake project closure, labelling and handover upon completion.

In the circumstances, the constituents of Subukia Constituency may not realize value for money from the projects valued at Kshs.39,292,056 as their completion dates are not clearly defined.

## 2. Delayed Construction of Constituency Offices

Note 17.3 to the financial statements reflects unutilized funds amount of Kshs.16,938,111. Included in the amount is Kshs.3,000,000 for purchase of land and Kshs.10,000,000 for construction of the constituency office, both amounting to Kshs.13,000,000 which has been pending for over four (4) years. This is contrary to Regulation 11(1)(j) of the National Government Constituencies Development Fund Regulations, 2016, which requires projects to receive adequate funding and be completed within three (3) years.

Records provided indicated that the project had not started as the Constituency Development Fund Committee needs to acquire a specific parcel of land whose value was more than the approved amount. However, Management did not reallocate the unutilized funds to other prioritized projects after the Board declined to approve request to allocate more funds to purchase the land.

In the circumstances, it is not clear when the Fund will make good the construction of its own premises or in the alternative, reallocate the funds to other deserving projects.

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



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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Funds' 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 policies and procedures may deteriorate.

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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

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

**Nairobi**

**13 June, 2023**



*Subukia Constituency  
National Government Constituencies Development Fund (NGCDF)  
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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	182,177,758	161,367,724
Proceeds from Sale of Assets	2		
Other Receipts	3	400,000	131,000
<b>Total Receipts</b>		<b>182,577,758</b>	<b>161,498,724</b>
<b>Payments</b>			
Compensation of employees	4	3,205,003	2,060,168
Use of goods and services	5	11,655,728	14,957,909
Transfers to Other Government Units	6	78,620,316	78,527,027
Other grants and transfers	7	80,190,539	72,232,387
Acquisition of Assets	8		238,484
Other Payments	9	14,541,512	
<b>Total Payments</b>		<b>188,213,099</b>	<b>168,015,975</b>
<b>Surplus/(Deficit)</b>		<b>(5,635,341)</b>	<b>(6,517,251)</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 26<sup>th</sup> April 2023 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF Committee

Name: Gloria Keitany

Name: Peter Mbogo  
ICPAK M/No: R/4903

Name: Shadrack Muiruri

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VIII. Statement of Assets and Liabilities as at 30<sup>th</sup> June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	16,938,111	22,573,451
Cash Balances (cash at hand)	10B		
<b>Total Cash and Cash Equivalents</b>		<b>16,938,111</b>	<b>22,573,451</b>
Accounts Receivable			
Outstanding Imprests	11		
<b>Total Financial Assets</b>		<b>16,938,111</b>	<b>22,573,451</b>
<b>Financial Liabilities</b>			
Accounts Payable (Deposits)			
Retention	12A		
Gratuity	12B		
<b>Total Financial Liabilities</b>			
<b>Net Financial Assets</b>		<b><u>16,938,111</u></b>	<b><u>22,573,451</u></b>
<b>Represented By</b>			
Fund balance B/fwd	13	22,573,452	29,090,702
Prior year adjustments	14		
Surplus/Deficit for the year		(5,635,341)	(6,517,251)
<b>Net Financial Position</b>		<b><u>16,938,111</u></b>	<b><u>22,573,451</u></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 25 April 2023 and signed by:



Fund Account Manager

Name: Gloria Keitany



National Sub-County  
Accountant

Name: Peter Mbogo  
ICPAK M/No: R/4903



Chairman NG-CDF Committee

Name: Shadrack Muiruri



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

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts from Operating Activities</b>			
Transfers from NGCDF Board	1	182,177,758	161,367,724
Other Receipts	3	400,000	131,000
<b>Total Receipts</b>		<b>182,577,758</b>	<b>161,498,724</b>
<b>Payments</b>			
Compensation of Employees	4	3,205,003	2,060,168
Use of Goods and Services	5	11,655,728	14,957,909
Transfers to Other Government Units	6	78,620,316	78,527,027
Other Grants and Transfers	7	80,190,539	72,232,387
Other Payments	9	14,541,512	
		<b>188,213,099</b>	<b>167,777,491</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16		
Prior year Adjustments	14		
<b>Net Adjustments</b>			
<b>Net cash flow from operating activities</b>		<b>(5,635,341)</b>	<b>(6,278,767)</b>
<b>Cashflow from Investing Activities</b>			
Proceeds from Sale of Assets	2		
Acquisition of Assets	8		(238,484)
<b>Net cash flows from Investing Activities</b>			<b>(238,484)</b>
<b>Net Increase in Cash and Cash Equivalent</b>		<b>(5,635,341)</b>	<b>(6,517,251)</b>
<b>Cash and cash equivalent at Start of the year</b>	10	<b>22,573,451</b>	<b>29,090,702</b>
<b>Cash and cash equivalent at End of the year</b>		<b>16,938,111</b>	<b>22,573,451</b>

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

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National Government Constituencies Development Fund (NGCDF)  
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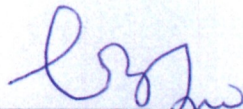
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The Constituency financial statements were approved on 26<sup>th</sup> April 2023 and signed by:



Fund Account Manager

Name: Gloria Keitany



National Sub-County  
Accountant

Name: Peter Mbogo  
ICPAK M/No: R/4903



Chairman NG-CDF Committee

Name: Shadrack Muiruri



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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	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	45,088,879	182,177,758	182,177,758		100%
Bal b/f			22,573,451	22,573,451		0%
Other Receipts			400,000	400,000		100%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>45,088,879</b>	<b>205,151,209</b>	<b>205,151,209</b>	<b>0</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,382,958	1,984,512	4,367,470	3,205,003	1,162,467	86%
Use of Goods and Services	9,955,041	2,826,508	12,781,549	11,655,728	1,125,821	99%
Transfers to Other Government Units	57,120,316	16,400,000	78,620,316	78,620,316		100%
Other Grants and Transfers	67,630,564	9,236,347	81,041,845	80,190,539	851,306	97%
Acquisition of Assets			13,298,516		13,298,516	0%
Other Payments		14,541,512	14,541,512	14,541,512		100%
Funds Pending Approval		100,000	500,000		500,000	0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>45,088,879</b>	<b>205,151,209</b>	<b>188,213,098</b>	<b>16,938,111</b>	<b>92%</b>

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

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	16,938,111
Less undisbursed funds receivable from the Board as at 30th June 2022	16,938,111
Add Accounts payable- PMC Savings	
Less Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2021/2022	16,938,111

The Constituency financial statements were approved on 26 April 2023 and signed by:



**Fund Account Manager**

Name: Gloria Keitany



**National Sub-County Accountant**

Name: Peter Mbogo  
ICPAK M/No: R/4903



**Chairman NG-CDF Committee**

Name: Shadrack Muiruri



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

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Kshs				
<b>1.0 Administration and Recurrent</b>								
1.1 Compensation of Employees	2,382,958			1,984,512	4,367,470	3,205,003	1,162,467	73%
1.2 Committee Allowances	2,400,000				2,400,000	2,400,000		100%
1.3 Use of Goods and Services	3,442,375			2,205,494	5,647,869	3,442,375	2,205,494	61%
<b>Total</b>	<b>8,225,333</b>			<b>4,190,006</b>	<b>12,415,339</b>	<b>9,047,378</b>	<b>3,367,961</b>	<b>73%</b>
<b>2.0 Monitoring and evaluation</b>								
2.1 Capacity Building	900,000				900,000	900,000		100%
2.2 Committee Allowances	2,500,000			500,000	3,000,000	2,500,000	500,000	83%
2.3 Use of Goods and Services	712,666			121,014	833,680	2,413,352	(1,579,673)	289%
<b>Total</b>	<b>4,112,666</b>			<b>621,014</b>	<b>4,733,680</b>	<b>5,813,352</b>	<b>(1,079,673)</b>	<b>123%</b>
<b>3.0 Emergency</b>								
3.1 Primary Schools	7,192,207				7,192,207		7,192,207	0%
Mibarak Primary School						500,000	(500,000)	
Solai Nyakinyua Primary School						700,000	(700,000)	
Solai Nyakinyua Primary School						700,000	(700,000)	
Kieni Primary School						500,000	(500,000)	
Mibarak Primary School						750,000	(750,000)	
Mibarak Primary School						750,000	(750,000)	
Kirima Primary School						150,000	(150,000)	



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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Gitundaga Primary School					150,000	(150,000)	
Arash Secondary School					400,000	(400,000)	
Kamumo Primary School					700,000	(700,000)	
Kamumo Primary School					700,000	(700,000)	
Kirima Primary School					150,000	(150,000)	
3.2 Security							
Subukia Chiefs Office					300,000	(300,000)	
3.3 Unutilised							
<b>Total</b>	<b>7,192,207</b>	<b>0</b>	<b>0</b>	<b>7,192,207</b>	<b>6,450,000</b>	<b>742,207</b>	<b>90%</b>
<b>4.0 Bursary and Social Security</b>							
4.1 Secondary Schools	32,196,579	3,074,182	819,518	36,090,279	36,090,279	0	100%
4.2 Tertiary Institutions	13,000,000	800,753	2,872,251	16,673,004	17,902,905	(1,229,901)	107%
4.3 Social Security	1,200,000			1,200,000		1,200,000	0%
4.4 Special Needs	1,500,000			1,500,000	1,361,000	139,000	91%
<b>Total</b>	<b>47,896,579</b>	<b>3,874,935</b>	<b>3,691,769</b>	<b>55,463,283</b>	<b>55,354,184</b>	<b>109,099</b>	<b>100%</b>
<b>5.0 Sports</b>							
Sports	2,741,778		2,744,578	5,486,356	5,486,355	1	100%
<b>Total</b>	<b>2,741,778</b>		<b>2,744,578</b>	<b>5,486,356</b>	<b>5,486,355</b>	<b>1</b>	<b>100%</b>
<b>6.0 Environment</b>							



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Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Kamemo Primary School	700,000				700,000	700,000		100%
Kamemo Primary School	700,000				700,000	700,000		100%
Arash Secondary School	700,000				700,000	700,000		100%
Wei Primary School				700,000	700,000	700,000		100%
Wei Primary School				700,000	700,000	700,000		100%
<b>Total</b>	<b>2,100,000</b>	<b>0</b>	<b>1,400,000</b>		<b>3,500,000</b>	<b>3,500,000</b>	<b>0</b>	<b>100%</b>
<b>7.0 Primary Schools Projects</b>								
Ndatho Hope Primary School	1,000,000				1,000,000	1,000,000		100%
Our Lady of Victories Primary School	5,000,000				5,000,000	5,000,000		100%
Magomano Primary School	4,500,000				4,500,000	4,500,000		100%
Mwireri Primary School	3,500,000				3,500,000	3,500,000		100%
Ndungiri Primary School	2,500,000				2,500,000	2,500,000		100%
Kianyoro Primary School	3,500,000				3,500,000	3,500,000		100%
Kianyoro Primary School	1,500,000				1,500,000	1,500,000		100%
Edgewood Primary School	900,000				900,000	900,000		100%
Olmanyatta Primary School	1,000,000				1,000,000	1,000,000		100%
Oldonyo Mara Primary School	1,000,000				1,000,000	1,000,000		100%
Oldonyo Mara Primary School	975,000				975,000	975,000		100%
Kabazi Primary School	1,000,000				1,000,000	1,000,000		100%
Kabazi Primary School	1,690,000				1,690,000	1,690,000		100%



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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022	Kshs	Kshs	2021/2022	30/06/2022	Kshs	
Mihango Primary School	1,000,000			1,000,000	1,000,000		100%
Kieni Primary School	700,000			700,000	700,000		100%
Kieni Primary School	700,000			700,000	700,000		100%
Kieni Primary School	975,000			975,000	975,000		100%
Safina Haji Primary School	506,034			506,034	506,034		100%
Marana Primary School	1,500,000			1,500,000	1,500,000		100%
Tetu Primary School	900,000			900,000	900,000		100%
Subukia Primary School	1,000,000			1,000,000	1,000,000		100%
Tachasis Primary School	2,200,000			2,200,000	2,200,000		100%
Solai Nyakinyua Primary School	1,442,056			1,442,056	1,442,056		100%
Gitura Primary School	732,226			732,226	732,226		100%
Subukia Primary School	4,050,000			4,050,000	4,050,000		100%
Gitura Primary School	700,000			700,000	700,000		100%
Marigu B Primary School			3,200,000	3,200,000	3,200,000		100%
Gatagati Primary School			4,400,000	4,400,000	4,400,000		100%
Mibarak Primary School		2,200,000		2,200,000	2,200,000		100%
Maombi Primary School			1,150,000	1,150,000	1,150,000		100%
Edgewood Primary School		500,000		500,000	500,000		100%
Ndungiri Primary School			500,000	500,000	500,000		100%
Gatagati Primary School			300,000	300,000	300,000		100%



**Subukia Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b) Kshs	Actual on comparable basis(d) Kshs	Budget utilization difference(e = c-d) Kshs	% of Utilisation (f=d/c %)
	2021/2022 Kshs	Opening Balance (C/Bk) and AIA Kshs	Previous years Outstanding Disbursements Kshs	30/06/2022 Kshs				
Gituamba Primary School			3,500,000		3,500,000	3,500,000		100%
Mihango Primary School			200,000		200,000	200,000		100%
Wei Primary School			200,000		200,000	200,000		100%
Maambi Primary School			150,000		150,000	150,000		100%
<b>Total</b>	<b>44,470,316</b>	<b>2,700,000</b>	<b>13,600,000</b>		<b>60,770,316</b>	<b>60,770,316</b>	<b>0</b>	<b>100%</b>
<b>8.0 Secondary Schools Projects</b>								
Sidai Secondary School	700,000				700,000	700,000		100%
St.Marks Eldonio Secondary School	3,000,000				3,000,000	3,000,000		100%
Ndungiri Secondary School	600,000				600,000	600,000		100%
St. Michael Gatagati Secondary School	3,000,000				3,000,000	3,000,000		100%
Our Lady of Victories Secondary School	700,000				700,000	700,000		100%
Oldonyo Mara Secondary School	3,500,000				3,500,000	3,500,000		100%
Oldonyo Mara Secondary School	700,000				700,000	700,000		100%
Simboiyon Secondary School		2,200,000			2,200,000	2,200,000		100%
Wiyumiririe Secondary School		200,000			200,000	200,000		100%
Sidai Secondary School			700,000		700,000	700,000		100%
Forest Hill Secondary School			2,100,000		2,100,000	2,100,000		100%
<b>Total</b>	<b>12,200,000</b>	<b>2,400,000</b>	<b>2,800,000</b>		<b>17,400,000</b>	<b>17,400,000</b>		<b>100%</b>
<b>9.0 Tertiary Institutions Projects</b>								
Subukia Educational Office	450,000				450,000	450,000		100%



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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022	Kshs	Kshs	2021/2022	30/06/2022	Kshs	
<b>Total</b>	<b>450,000</b>	<b>0</b>	<b>0</b>	<b>450,000</b>	<b>450,000</b>	<b>0</b>	
<b>10.0 Security Projects</b>							
Subukia East Location Assistant Chiefs Office	500,000			500,000	500,000		100%
Gakingi Chiefs Office	1,000,000			1,000,000	1,000,000		100%
Mihango Chiefs Office	1,000,000			1,000,000	1,000,000		100%
Mihango Chiefs Office	300,000			300,000	300,000		100%
Mihango Chiefs Office	200,000			200,000	200,000		100%
Baraka Chiefs Office	1,000,000			1,000,000	1,000,000		100%
Baraka Chiefs Office	300,000			300,000	300,000		100%
Baraka Chiefs Office	200,000			200,000	200,000		100%
Munanda Sub-Chiefs Office	200,000			200,000	200,000		100%
Kabazi Police Station	3,000,000			3,000,000	3,000,000		100%
Edgewood Police Post			500,000	500,000	500,000		100%
Mbogoini Police Post			500,000	500,000	500,000		100%
Kabazi Police Post			100,000	100,000	100,000		100%
Gitura Chiefs Office		300,000		300,000	300,000		100%
Miloleni Chiefs Office			300,000	300,000	300,000		100%
<b>Total</b>	<b>7,700,000</b>	<b>300,000</b>	<b>1,400,000</b>	<b>9,400,000</b>	<b>9,400,000</b>	<b>0</b>	<b>100%</b>
<b>11.0 Acquisition of Assets</b>							



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	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
11.1 Motor Vehicles		298,516		298,516		298,516	0%
11.2 Construction of CDF office		10,000,000		10,000,000		10,000,000	0%
11.3 Purchase of NGCDF office Land		3,000,000		3,000,000		3,000,000	0%
<b>Total</b>	<b>0</b>	<b>13,298,516</b>	<b>0</b>	<b>13,298,516</b>	<b>0</b>	<b>13,298,516</b>	<b>0%</b>
<b>12.0 Other Payments</b>							
Chania Primary School			3,000,000	3,000,000	3,000,000		100%
Morro Hill Primary School			4,000,000	4,000,000	4,000,000		100%
Mwireri Primary School			3,000,000	3,000,000	3,000,000		100%
Mburu Gichua Primary School			4,541,512	4,541,512	4,541,512		100%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>14,541,512</b>	<b>14,541,512</b>	<b>14,541,512</b>	<b>0</b>	<b>100%</b>
<b>13.0 Unallocated Fund</b>							
Unapproved projects							
AIA							
PMC savings		400,000	100,000	500,000		500,000	
<b>Total</b>	<b>0</b>	<b>400,000</b>	<b>100,000</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	
	<b>137,088,879</b>	<b>22,973,451</b>	<b>45,088,879</b>	<b>205,151,209</b>	<b>188,213,098</b>	<b>16,938,111</b>	<b>92%</b>

## **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-Subukia Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

### **4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

#### **a) Recognition of Receipts**

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

#### **Transfers from the National Government Constituency Development Fund (NG-CDF)**

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

#### **Proceeds from Sale of Assets**

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

#### **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.



#### **Unutilized Funds from PMCs.**

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

#### **External Assistance**

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

##### **b) Recognition of payments**

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the entity.

#### **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

#### **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

#### **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment

A fixed asset register is maintained by each constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

#### **5. In-kind contributions**

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents.**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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



#### **10. Unutilized Fund**

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

#### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 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.

#### **14. Errors**

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

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

#### **15. Related Party Transactions**

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

**XII. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

Description		2021-2022	2020 - 2021
		Kshs	Kshs
Normal Allocation	A.I.E. B104896		69,367,724
	A.I.E. B124667		9,000,000
	A.I.E. B119652		10,000,000
	A.I.E. B128041		13,000,000
	A.I.E. B128284		6,900,000
	A.I.E. B132044		6,000,000
	A.I.E. B132338		6,000,000
	A.I.E. B126299		6,100,000
	A.I.E. B105094		10,000,000
	A.I.E. B140738		12,000,000
	A.I.E. B126007		13,000,000
	A.I.E. B105292	27,747,367	
	A.I.E. B105562	44,000,000	
	A.I.E. B105934	22,000,000	
	A.I.E. B128706	5,000,000	
	A.I.E. B163868	12,000,000	
	A.I.E. B154434	20,000,000	
	A.I.E. B154213	15,000,000	
	A.I.E. B154489	19,088,879	
	A.I.E. B089097	17,341,512	
<b>TOTAL</b>		<b>182,177,758</b>	<b>161,367,724</b>



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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>	<b>0</b>	<b>0</b>

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		
Rents		
Receipts Sale of Tender Documents		131,000
Hire of plant/equipment/facilities		
Unutilized funds from PMCs	400,000	
Other Receipts Not Classified Elsewhere (specify)		
<b>TOTAL</b>	<b>400,000</b>	<b>131,000</b>

4. Compensation of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,115,368	1,930,568
Personal allowances paid as part of salary;		
House allowance		
Transport allowance		
Leave allowance		
Gratuity-contractual employees	1,024,835	
Employer Contributions Compulsory national social security schemes	64,800	129,600
<b>TOTAL</b>	<b>3,205,003</b>	<b>2,060,168</b>

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5. Use of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	825,640	9,450
Electricity		
Water & sewerage charges		
Office rent		
Communication, supplies and services	235,038	
Domestic travel and subsistence	263,600	
Printing, advertising and information supplies & services	69,870	1,672,550
Rentals of produced assets		
Training expenses	900,000	2,021,014
Hospitality supplies and services	1,423,830	
Other committee expenses	3,451,000	3,693,900
Committee allowance	1,846,800	6,383,986
Insurance costs	186,276	
Specialised materials and services		
Office and general supplies and services	1,054,333	
Fuel, oil & lubricants	800,000	1,100,000
Other operating expenses		
Bank service commission and charges	22,560	26,112
Other Operating Expenses		
Security operations		
Routine maintenance - vehicles and other transport equipment	72,181	50,897
Routine maintenance- other assets	504,600	0
<b>TOTAL</b>	<b>11,655,728</b>	<b>14,957,909</b>

6. Transfer to Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	60,770,316	70,827,027
Transfers to Secondary Schools	17,400,000	7,700,000
Transfers to Tertiary Institutions	450,000	
<b>TOTAL</b>	<b>78,620,316</b>	<b>78,527,027</b>



7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	36,090,279	29,655,132
Bursary -Tertiary (see attached list)	17,902,905	16,562,960
Bursary- Special Schools	1,361,000	1,268,700
Mocks & CAT (see attached list)		
Social Security programmes (NHIF)		
Security Projects (see attached list)	9,400,000	10,700,000
Sports Projects (see attached list)	5,486,355	2,747,354
Environment Projects (see attached list)	3,500,000	3,400,000
Emergency Projects (see attached list)	6,450,000	7,898,241
<b>TOTAL</b>	<b>80,190,539</b>	<b>72,232,387</b>

8. Acquisition of Assets

Non-Financial Assets	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		238,484
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and General Equipment		
Purchase of computers, printers and IT equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
<b>TOTAL</b>	<b>0</b>	<b>238,484</b>

9. Other Payments

	2021-2022	2020 - 2021
	Kshs	Kshs
Strategic Plan		
ICT Hubs		
Access Roads	14,541,512	
<b>TOTAL</b>	<b>14,541,512</b>	<b>0</b>



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10. Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022 Kshs (30/6/2022)	2020 - 2021 Kshs (30/6/2021)
Subukia NG-CDF Equity Bank Account	A/C no.1460262029565	16,938,111	22,573,451
<b>TOTAL</b>		<b>16,938,111</b>	<b>22,573,451</b>

11. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance Kshs
<i>Total</i>				

12A. Retention

	2021-2022 KShs	2020-2021 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		

12B. Gratuity

	2021-2022 KShs	2020-2021 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		



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**13. Balances Brought Forward**

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	22,573,451	29,090,702
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>22,573,451</b>	<b>29,090,702</b>

**14. Prior Year Adjustments**

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

**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		

**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		

**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		
Others		
Total		



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17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	1,162,467	1,984,512
Use of goods and services	1,125,821	2,826,508
Amounts due to other Government entities		18,350,000
Amounts due to other grants and other transfers	851,306	13,766,441
Acquisition of assets	13,298,516	13,298,516
Others		
Funds pending approval	500,000	17,436,354
	16,938,111	67,662,330

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	23,486,301	27,958,901
	23,486,301	27,958,901

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**Annexes**

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

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



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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
		2021/22	2020/21	
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	Employee salaries	1,162,467	1,984,512	Recurrent Expenditure
1.2 Committee allowances	Committee sitting allowances			Recurrent Expenditure
1.3 Use of goods and services	Committee goods and services	2,205,494	2,205,494	Recurrent Expenditure
<b>Total</b>		<b>3,367,961</b>	<b>4,190,006</b>	
<b>2.0 Monitoring and evaluation</b>				
2.1 Capacity building	Committee training expenses		121,014	Recurrent Expenditure
2.2 Committee allowances	Committee sitting allowances	500,000	500,000	Recurrent Expenditure
2.3 Use of goods and services	Committee goods and services	(1,579,673)		Recurrent Expenditure
<b>Total</b>		<b>(1,079,673)</b>	<b>621,014</b>	
<b>3.0 Emergency</b>				
	To cater for unforeseen occurrences	742,207	2,072,251	
<b>Total</b>		<b>742,207</b>	<b>2,072,251</b>	For Unforeseen Occurrence
<b>4.0 Bursary and Social Security</b>				
	Bursary for the needy	109,099	6,149,612	
<b>Total</b>		<b>109,099</b>	<b>6,149,612</b>	
<b>5.0 Sports</b>				
5.1	To facilitate sports tournament		2,744,578	Ongoing
<b>Total</b>			<b>2,744,578</b>	
<b>6.0 Environment</b>				
6.1				
Wei Primary	Construction of 8 Door Boys Toilet		700,000	Funds Awaiting Disbursement
Wei Primary	Construction of 8 Door Girls Toilet		700,000	Funds Awaiting Disbursement



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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
Akuisi Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Gitura Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Ndungiri Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Olbonata Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Patel Day Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Rigogo Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Ruiru Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Solai Boys Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
Sat. Mark Eldonio Secondary School	Water Harvesting Equipment			Funds Disbursed to PMC
<b>Total</b>			<b>1,400,000</b>	
<b>7.0 Primary Schools Projects</b>				
Edgewood Primary School	Construction of 4-Door Pit Latrine		500,000	Funds Awaiting Disbursement
Gatagati Primary School	Construction of 4 Classrooms		4,400,000	Funds Awaiting Disbursement
Gatagati Primary School	Purchase of 120 Desks		300,000	Funds Awaiting Disbursement
Gituamba Primary School	Construction of 5 Roomed Administration Block To Completion		3,500,000	Funds Awaiting Disbursement
Maombi Primary School	Purchase of 10,000ltrs Water Tank		200,000	Funds Awaiting Disbursement
Mibarak Primary School	Construction of 2 Classroom		2,200,000	Funds Awaiting Disbursement
Ndungiri Primary School	Construction of 4 Door Special Unit		500,000	Funds Awaiting Disbursement
Wei Primary School	Renovation of 7 Classrooms		200,000	Funds Awaiting Disbursement
Marigu B Primary School	Renovation of 8 Classrooms		3,200,000	Funds Awaiting Disbursement
Maombi Primary School	Renovation of 2 Classrooms		1,150,000	Funds Awaiting Disbursement
Akuisi Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Eldonio Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Endao Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Gitura Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Jamhuri Primary School	Water Harvesting Equipment			Funds Disbursed to PMC



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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
Marigu B Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Kirima Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Ndungiri Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Olbonata Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Rigogo Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Ruiru Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Mansuk P rimary School	Water Harvesting Equipment			Funds Disbursed to PMC
Solai Nyakinyua Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Lari Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
Mikima Primary School	Water Harvesting Equipment			Funds Disbursed to PMC
<b>Total</b>		<b>0</b>	<b>16,150,000</b>	
<b>8.0 Secondary Schools Projects</b>				
Simboiyon Secondary School	Construction of 2 Classrooms		2,200,000	
Kieni Secondary School	Levelling Playground			Funds Disbursed to PMC
Gitura Secondary School	Construction Dinning Hall			Funds Disbursed to PMC
Green Hills Secondary School	Levelling Playground			Funds Disbursed to PMC
Patel Day Secondary School	Completion 1 Classroom			Funds Disbursed to PMC
<b>Total</b>		<b>0</b>	<b>2,200,000</b>	
<b>10.0 Security Projects</b>				
Edgwood Police Post	Construction of 4 Door Toilet		500,000	Funds Awaiting Disbursement
Kabazi Police Post	Electricity Installation		100,000	Funds Awaiting Disbursement
Mbogoini Police Post	Construction of 4 Door Toilet		500,000	Funds Awaiting Disbursement
Gitura Chief Office	Completion of Chief Office		300,000	Funds Awaiting Disbursement
<b>Total</b>		<b>0</b>	<b>1,400,000</b>	
<b>11.0 Acquisition of assets</b>				
11.1 Motor Vehicles	NGCDF car insurance	298,516	298,516	NGCDF Vehicle Purchased



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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
11.2 Construction of CDF office	Construction of NGCDF office	10,000,000	10,000,000	Awaiting Acquisition of Land
11.3 Purchase of NGCDF office Land	Purchase of NGCDF office Land	3,000,000	3,000,000	Procurement Process Ongoing
<b>Total</b>		<b>13,298,516</b>	<b>13,298,516</b>	
<b>other Payments</b>				
Innovation hubs				Funds reallocated
<b>13.0 unallocated fund</b>				
Unapproved projects	Funds pending approval	500,000	17,305,354	Awaiting NGCDF Board's approval
Appropriation in Aid	Receipts from sale of tenders		131,000	Awaiting Boards NGCDF approval
<b>Total</b>		<b>500,000</b>	<b>17,436,354</b>	
		<b>16,938,111</b>	<b>67,662,330</b>	

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

Asset class	Historical Cost b/f/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures				
Transport equipment	10,771,000			10,771,000
Office equipment, furniture and fittings	684,484			684,484
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>11,455,484</b>	<b>0</b>	<b>0</b>	<b>11,455,484</b>



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**Annex 5 –PMC Bank Balances as at 30<sup>th</sup> June 2022**

S/No	Project Name	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
1	Mibarak Primary School	Equity Bank	0130 262 567 780	226,615	275
2	Simboiyon Secondary School	Equity Bank	130262596713	1,892	2,452
3	Akuisi Secondary School	Equity Bank	130100253780	2,834	302,894
4	Marigu B Primary School	Equity Bank	0130190137 870	343	1,142
5	Mwireri Secondary	Equity Bank	130261913305	1,040	1,040
6	Mihango Primary School	Equity Bank	0130 262 564 981	73,355	799,755
7	St Marks Eldonio Secondary School	Equity Bank	0130 262 581 962	501,550	2,815
8	Our Lady of Victories Secondary School	Equity Bank	0130 262 583 460	101,400	
9	Kamumo Primary School	Equity Bank	0130 262 888 4862		
10	Lari Primary School	Equity Bank	130262548445	2,870	103,050
11	St. Ulrich Lama Secondary School	Equity Bank	0130 262548582	11,296	11,296
12	Simboiyon Primary School	Equity Bank	0130 262569553	10,746	10,746
13	Tachasis Secondary School	Equity Bank	130262571073	11,752	11,752
14	Mbogoini Primary School	Equity Bank	0130 262571985	285	285
15	Wiyumiririe Primary School	Equity Bank	0130 262574314	345	10,464
16	Mikima Primary School	Equity Bank	0130 262600907	823	323
17	Gakingi Primary	Equity Bank	0130 262611371	49,122	881
18	Gitundaga Primary School	Equity Bank	0130 262611596	2,960	
19	Ruiru Primary School	Equity Bank	130262619048	960	960
20	Munyaka Primary School	Equity Bank	0130 262645655	51,492	51,492
21	Our Lady of Victories Primary School	Equity Bank	0130 263 987 976	250,180	59,920
22	Patel Day Secondary	Equity Bank	130263993619	434,352	1,532,772
23	Marana Primary School	Equity Bank	130264224722	802	150,802
24	Tachasis Primary School	Equity Bank	130264785146	50,885	29,185
25	Ruiru Chief's Office	Equity Bank	0130 264086540	2,390	2,390
26	Eldonio Primary School	Equity Bank	130264093091	2,053	800,233
27	Tetu Primary School	Equity Bank	130264242885	14,025	945



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S/No	Project Name	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
28	Gatagati Primary Sch	Equity Bank	130264453573	570	420
29	Kabazi Chiefs Office	Equity Bank	130264793011	105	105
30	Tetu Chiefs Office	Equity Bank	130264850878	6,620	6,620
31	Olbonata Primary School	Equity Bank	130266636887	7	400,107
32	Olmanyatta Primary School	Equity Bank	130267383881	139,445	2,625
33	Subukia Primary School	Equity Bank	130270299238	371,270	18,770
34	Simboiyon Police Post	Equity Bank	130270255504	1,045	1,045
35	Gituamba Primary School	Equity Bank	130270385371	1,475	
36	Gitura Police Post	Equity Bank	130270579106	113	500,233
37	Haji Ap Post	Equity Bank	130272023835	6,990	
38	Kagocii Chiefs Office	Equity Bank	130272024010	4,520	
39	Lari Assistant Chiefs Office	Equity Bank	130272225653	1,972	1,972
40	Mumoi Police Post	Equity Bank	130272332350	1,614	2,999,034
41	Foresthill Secondary School	Equity Bank	130277458530	4,615	41,000
42	Subukia East Assistant Chiefs Office	Equity Bank	130277446444	77,600	500,000
43	Gitura Primary School	Equity Bank	130277431540	2,232	119,666
44	Edgewood Primary School	Equity Bank	130278047700	270	2,800
45	Kamemo Primary School	Equity Bank	130278047712	102,865	2,985
46	Sidai Primary School	Equity Bank	130278047703	300	2,250,040
47	Chania Primary School	Equity Bank	130278047716	60,746	300,000
48	Kabazi Primary School	Equity Bank	130278047723	20	299,640
49	Rigogo Secondary School	Equity Bank	130278050775	620	620
50	Wiyumiririe Chiefs Office	Equity Bank	130278768330	1,880	1,880
51	Kianyoro Chiefs Office	Equity Bank	130278972540	0	
52	Munanda Sub Chief Office	Equity Bank	130279003924	12,738	2,737
53	Kirengero Police Post	Equity Bank	130279889274	520	520
54	Subukia -Sports Tournament	Equity Bank	130280139051	1,281	400
55	Kabazi Police Post	Equity Bank	130280199008	29,353	369
57	Wei Primary School	Equity Bank	130280996988	200,120	999,880
58	Ndatho Hope Primary School	Equity Bank	130282683525	200,120	
59	Baraka Chiefs Office	Equity Bank	130282731355	900,000	



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S/No	Project Name	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
60	Safina Haji Primary School	Equity Bank	130282846978	6,884	
61	Subukia Education Office	Equity Bank	130282959492	450,000	
62	Simboiyon Chiefs Office	Equity Bank	130278954780	213	114,933
63	Wei Ap. Police Post	Equity Bank	160279819408	782	782
64	Edgewood Police Post	Equity Bank	130281355865		
65	Gitura Chiefs Office	Equity Bank	130281304318	500	
66	Mbogoini Police Post	Equity Bank	130281760598	479	
67	Magomano Primary School	Equity Bank	310190181327	998,109	399
68	Olbonata Secondary School	Equity Bank	310261966642	1,189	1,189
69	Kabazi Secondary School	Equity Bank	310262150838	5,974	5,974
70	Mumoi Primary School	Equity Bank	310272220509	5,931	5,281
71	Solai Boys Secondary School	Equity Bank	310280281529	140	300,000
72	Ndungiri Primary School	Equity Bank	310294476122	110	9,200
73	Ruiru Secondary School	Equity Bank	310298836447	1,237	1,237
74	Arash Secondary School	Equity Bank	310299481192	12,855	12,975
75	Ndungiri Secondary School	Equity Bank	0310 299 830 038	208,555	288,795
76	Oldonyo Mara Secondary School	Equity Bank	310263750059	97,324	
77	Green Hills Secondary School	National Bank	0102 5021170100	781	781
78	Mburu Gichua Primary School	National Bank	0122 4062300700	4,542,369	857
79	Morrohill Primary School	National Bank	0122 419920500	4,000,000	3,600,344
80	Olmanyatta Secondary	Equity Bank	0160 279887331		
81	Gakingi Chiefs Office	Equity Bank	160282751872	1,000,000	
82	Kaptarakwa Primary School	Equity Bank	160290844844	830	49,890
83	Mihango Chiefs Office	Equity Bank	0160282727 821		
84	Jamhuri Primary School	Equity Bank	1460162220233	9,989	9,989
85	Maryland Secondary School	Equity Bank	1460262093626	58,408	58,588
86	Akuisi Primary	Equity Bank	1460262144314	967	527
87	Looremata Primary School	Equity Bank	1460262158733	30	3,600,670
88	Arash Primary School	Equity Bank	1460262170734	790	29,090
89	Magomano Secondary School	Equity Bank	1460262224521	3,322	4,492
90	Subukia Day Secondary School	Equity Bank	1460262259028	3,273	3,273



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S/No	Project Name	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
91	Gitura Secondary School	Equity Bank	1460263634765	376	376
92	Endao Solai Primary	Equity Bank	1460264169561	77	77
93	Mansuk Patel Primary	Equity Bank	1460264414036	1,055	1,055
94	Mwireri Primary School	Equity Bank	1460279247778	1,764,319	4,779
95	Kieni Secondary School	Equity Bank	1460280289434	1,105	3,220
96	Rigogo Chonjo Primary School	Equity Bank	1460162294376	461	461
97	Kirima Primary School	Equity Bank	1460162215986	151,053	1,053
98	Wiyumiririe Secondary School	Equity Bank	1460262239083	51,294	263,164
99	St Michael Gatagati Secondary School	Equity Bank	1460262247499	504,039	5,839
100	Sidai Secondary School	Equity Bank	1460262178174	100,523	700,443
101	Oldonyo Mara Pry School	Equity Bank	1460262194130	35,835	304,995
102	Kieni Primary School	Equity Bank	1460262243354	42,102	3,056,527
103	Maombi Primary School	Equity Bank	1460264034019	281	48,906
104	Kianyoro Primary School	Equity Bank	1460264241394	3,529,926	30,346
105	Mwireri Primary School	Equity Bank	1460279247778	1,764,319	
106	Solai Nyakinyua Primary School	Equity Bank	1460162166761	191,885	300,209
107	Miloleni Chiefs Office			0	
	<b>Total</b>			<b>23,486,301</b>	<b>27,958,901</b>



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**Annex 6: Progress on Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in the Financial Statements	1. The budget execution by sectors and projects reflects a final emergency projects budget of Kshs.9,270,492 whereas the approved budget reflects a balance of Kshs.7,198,241.38 resulting to a difference of Kshs.700,000.00 that has not been reconciled.	Gloria Keitany-FAM	Resolved
2.	Erroneous Acquisition of Assets – Kshs 234,484	Kshs.238,484 was incurred in respect of purchase of vehicles However, records availed for audit revealed that the balance of Ksh.238,484 was incurred on vehicle insurance.	Gloria Keitany-FAM	Resolved
3	Incomplete Projects	Seventy - six (76) projects valued at Kshs.141,685,270.20 were incomplete due to slow tendering processes and delays in receipt of funds from the NG-CDF Board.	Gloria Keitany-FAM	Resolved
4.	Construction of NGCDF Offices	The projects could not be implemented because the Constituency Development Fund Committee wanted to acquire specific parcel whose value was more than the approved amount.	Gloria Keitany-FAM	Resolved

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Name: Gloria Keitany  
Fund Account Manager



