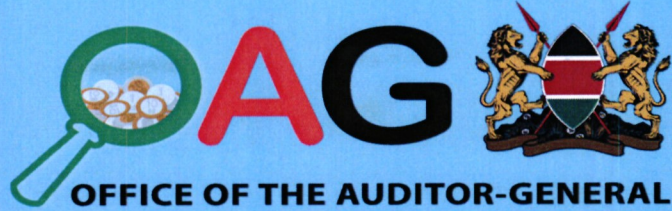


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
ON	DAY
DATE: 02 AUG 2023	WED
TABLED BY:	Hon Naomi Wago, MP Deputy Majority Whip
CLERK-AT-THE-TABLE:	Finlay's

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

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



Revised Template 30th June 2022



**NAVAKHOLO CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022**

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

Leave it blank

**Navakholo 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;

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

- 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 Navakholo 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 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Thomas Moracha Ontweka
2.	Sub-County Accountant	Juliet Lubanga
3.	Chairman NGCDFC	Kennedy Barasa Ngao
4.	Member NGCDFC	Mary Imbwaka Macheso

(d) Fiduciary Oversight Arrangements

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

P.O. Box 14 - 50127
Navakholo NGCDF Office
Navakholo-Muhuni-Chebuyusi Road
NAMBACHA, KENYA

(f) Navakholo Constituency NGCDF Contacts

Telephone: (254) 0722288499/0722325799
E-mail: cdfnavakholo@ngcdf.go.ke
Website: www.go.ke

(g) Navakholo Constituency NGCDF Bankers

Equity Bank (Kenya) Limited
Kakamega Branch

***Navakholo Constituency
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P.O. Box 2512 - 50100
Kakamega

(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

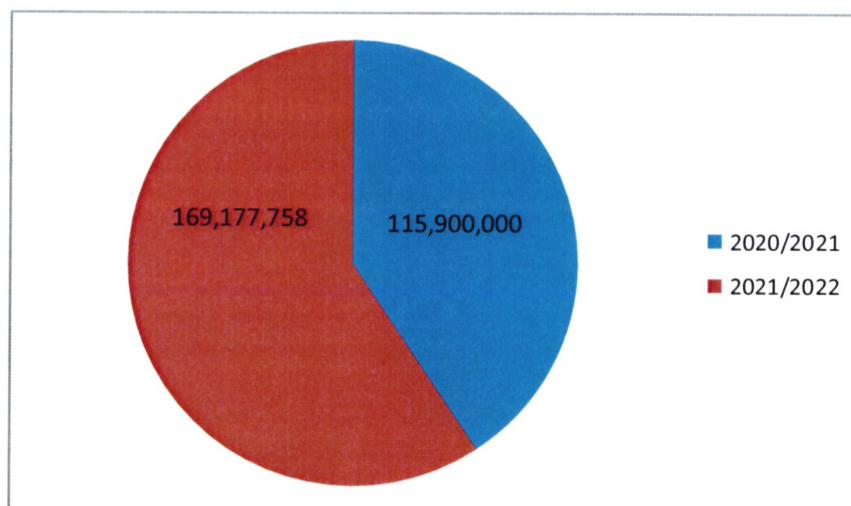
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman's Report



Mr. Kennedy Barasa Ngao – NGCDFC Chairman, Navakholo Constituency

In the financial year under review (2021/2022), Navakholo Constituency received part of the budgeted allocation by 30th June 2022. The actual amount received by close of the financial year was Kshs. 169,177,758.30. On comparable basis, during close of financial year 2020/2021, we had received Kshs. 115,900,000.

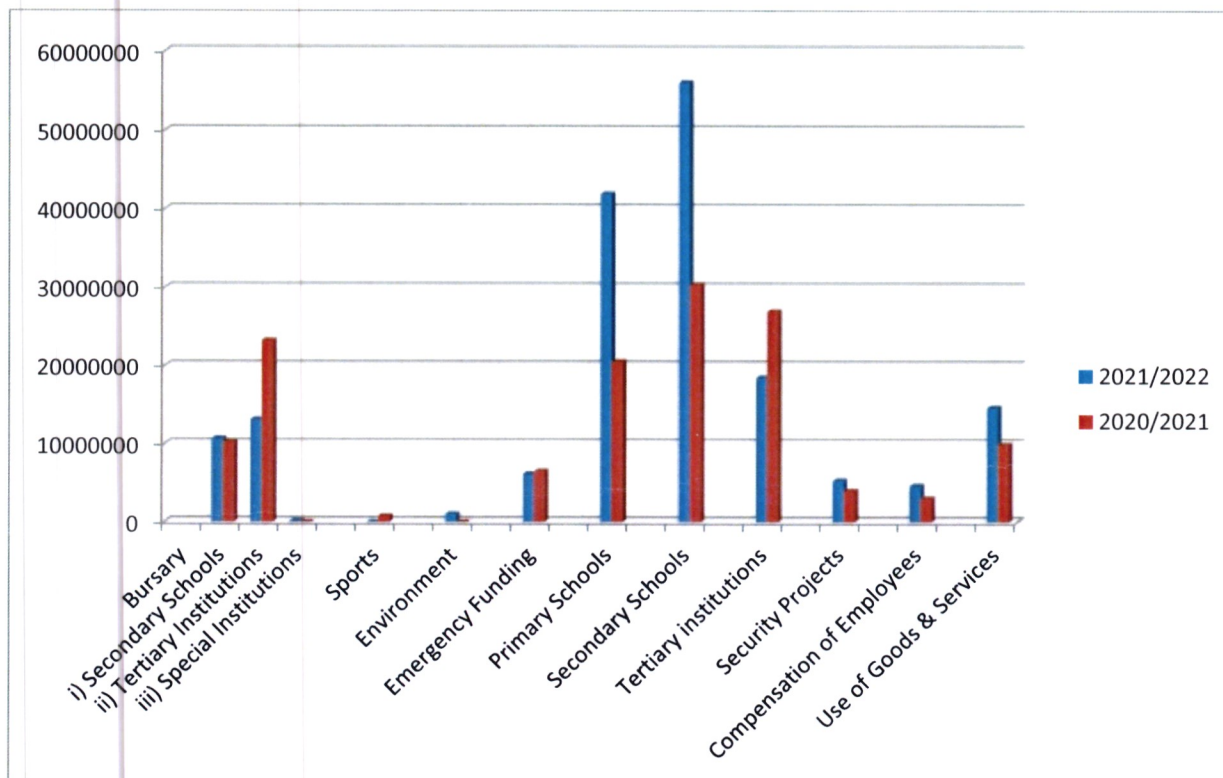


A Pie chart showing receipts in the two financial years on comparable basis

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The red color represents receipts for 2021/2022 financial year whereas blue shows receipts for the previous financial year, 2020/2021 respectively.

A table showing expenditure over two years (per sector) on comparable basis



A bar graph representing expenditure in two years on comparable basis

On comparable basis for the two financial years, expenditure per sector was as indicated in the bar graph above. The blue color shows 2021/2022 whereas orange indicates 2020/2021 financial year respectively.

Our key achievements can be explained in this report through some of the projects done to completion. Some projects have been done to completion but contractors have not been paid fully. This will be done in the financial year 2022/2023 without fail. Below are some of the ongoing and completed projects;



Buhayi Muslim Secondary School – construction of one storey building of 8no. classrooms in Bunyala West Ward, complete and handed over but final payment will be done in 2021/2022 FY



KMTCC Navakholo – Construction of Storey building of 12 lecture halls in Bunyala Central Ward, complete and handed over



Sisokhe secondary school – purchase of 46 seater school bus



KMTC Navakholo – construction of administration block

The NG-CDF Committee started allocating funds for storey construction works in public secondary schools. This is because it has become a challenge to acquire land. We better do construction upwards. Once complete, they will be our flagship projects in the constituency, something that had never been done before.

During management of the fund, we have had challenges as follows:

- ✓ The constituents heavily depend on bursary kitty for the education of their children. This overdependence might compromise the committee's integrity. However, to solve such, we

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

have Sub Locational Bursary Sub Committees that vet bursary applications and forward their findings to the Bursary Sub Committee before award to beneficiaries.

- ✓ Political interference is another challenge in the management of the kitty. Some constituents are always negative because of political dynamics. We always encourage the use of Complaints/suggestion box so that it is official.
- ✓ Decision making is tricky in the committee meetings. This is because each of the members has a particular interest for their ward. Through NG-CDFC trainings, the members are aware that they represent the entire constituency and not a ward. Should there be a problem, it will be for the whole constituency. Hence teamwork.
- ✓ Slow pace at which the NG-CDF Board releases funds to constituencies is another very serious challenge. Although this is based on collections from the taxes, it is affecting project implementation. The NG-CDF Board released about half of the allocation two weeks to closure of financial year. Other constituencies are yet to receive all their funds for the just ended financial year. The NG-CDF Act 2015 should be followed to ensure disbursements are timely.



**Mr. Kennedy Barasa Ngao
CHAIRMAN NGCDF COMMITTEE
NAVAKHOLO NGCDFC**

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 *Navakholo Constituency 2018-2022* plan are to:

- a) To improve the health standard in the constituency and increase access to primary Healthcare by the constituents.
- b) To. Improve the quality of education in Navakholo Constituency and increase access to education.
- c) To avail basic social amenities to all constituents through development of supporting infrastructure.
- d) Ensure all major infrastructural systems in the constituency are constructed, standardized/repaired and maintained.
- e) To empower the farmers with high level skills for production of farm products to achieve food security in Navakholo Constituency.
- f) To ensure every public institution, homestead, market & commercial and recreational facilities are accessible to clean adequate and sufficient water.
- g) Ensure affordable, accessible and reliable electricity in the whole constituency for social economic development.
- h) To promote conservation and protection of the environment in order to support the exploitation of natural resources, integrated water resources management for enhanced water availability and accessibility as well as quality sanitation for the constituency's development.
- i) To increase computer and ICT skill literacy among the constituents.

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Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	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"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 21/22</p> <ul style="list-style-type: none"> -we increased number of classrooms by 64 in primary schools,60 in secondary ,5 laboratories,2 buses,2 staff houses,1 dining hall and one gate. - Bursary beneficiaries were 3,333 students in secondary schools ,934 in tertiary and 1083 in university.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	<ul style="list-style-type: none"> - Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery Improved security in the community 	<ul style="list-style-type: none"> - Number of new physical facilities for police officers - Number of new physical facilities for security administrators – DCC, ACCs, Chiefs etc. 	In the 2021/2022 FY, we allocated funds for purchase of 1 ha of land and 1 chiefs office, and 1 staff house of 6 units.

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Environment	To keep the learners learning environment conducive	Increased number of toiletries in schools	- Number of toiletries in primary schools	In the 2021/2022 FY, we allocated funds for construction of pit latrines in 2 schools
Sports	Empower and develop youth	Reduced dependence and spur economic growth through sports	- Number of schools benefiting from sports equipment	In the 2021/2022 FY, we allocated funds for purchase of sports equipment to 10 primary schools
Emergency	To cater for emergency arising issues	Improved infrastructure in 2 schools	- Number of usable physical infrastructure build in primary	In the 2021/2022 FY we constructed 4 no. classrooms in 1 school and 3 door pit latrines in two institutions

IV. Environmental and Sustainability Reporting

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

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

By the end of the financial year 2021/2022 the funds meant for construction of 3no. door pit latrines and a urinal totalling to Kshs. 250,000.00 for Shibembe Primary School was constructed and Kshs. 250,000.00 meant for construction of 3no. door pit latrines and a urinal for Good Shepherd Primary School was ongoing.

3. Employee welfare

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

Navakholo 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-

Navakholo 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.

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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.

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



.....
Thomas M. Ontweka
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-Navakholo 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-Navakholo 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 NGCDF-Navakholo Constituency 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- Navakholo Constituency further confirms the completeness of the accounting records maintained for the NGCDF-Navakholo Constituency, which have been relied upon

Navakholo Constituency
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Annual Report and Financial Statements for The Year Ended June 30, 2022

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 Navakholo Constituency confirms that the NGCDF-Navakholo 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 NGCDF-Navakholo Constituency 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- Navakholo Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.



.....
Name: Kennedy Ngao Barasa
Chairman – NGCDF Committee

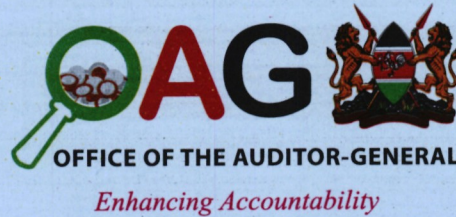


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Name: Thomas M. Ontweka
Finance Account Manager



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and 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 - Navakholo Constituency set out on pages 1 to 45,

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

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 the National Government Constituencies Development Fund - Navakholo 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unsupported Assets

Annex 4 to the financial statements on summary of fixed assets register reflects a balance of Kshs.22,107,245 which includes Kshs.493,200 relating to transport equipment. However, ownership documents and valuation reports for the equipment were not provided for audit review. Further, no evidence was provided to show that the assets of the Fund were insured.

In the circumstances, the accuracy, completeness, fair valuation and safety of the assets valued at Kshs.22,107,245 could not be confirmed.

2. Inaccuracy of the Summary statement of Appropriation

The summary statement of appropriation reflects actual expenditure of Kshs.179,454,495. However, a recalculation of the expenditure items reflects a recomputed total of Kshs.179,573,495. The variance of Kshs.119,000 has not been explained or reconciled.

In the circumstances, the accuracy and completeness of the summary statement of appropriation could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the NGCDF- Navakholo 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 actual expenditure of Kshs.166,626,934 against approved budget of Kshs.179,573,495 resulting to under-performance of Kshs.12,946,561 or 7% of the budget.

The under-performance 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.

1. Lack of Inspection and Acceptance Certificates for Projects

The statement of receipts and payments reflects an amount of Kshs.36,388,558 in respect of other grants and transfers which, as disclosed in Note 7 to the financial statements, includes Kshs.5,300,000, Kshs.1,000,000 and Kshs.6,150,000 relating to security projects, environment projects and emergency projects respectively. However, inspection and acceptance reports and certificates were not provided to confirm that the projects were completed as per the required standards as provided by Section 48 of the Public Procurement and Assets Disposals Act 2015, which specifies the mandate of the Inspection and Acceptance Committees

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

2. Idle Project at Shikomari Secondary School

Note 6 to the financial statements reflects an amount of Kshs.56,071,391 in respect of transfers to secondary schools. Included in this amount is Kshs.3,200,000 relating to the proposed construction of four (4) classrooms at Shikomari Secondary School at a contract sum of Kshs.3,079,124 as per contract agreement dated 25 February, 2022. However,

a site visit conducted on 15 March, 2023 revealed that although the project was complete, it had not been put to use.

In the circumstances, value for money was not obtained from the project.

3. Failure to Return Project Management Committee Balances to the CDF Account

Annex 5 to the financial statements reflects PMC Bank Balances of Kshs.21,504,531 as at 30 June, 2022. However, the Project Management Committee balances were not returned to the Constituency's main Account as required by Section 12(8) of the National Governments Constituencies Development Fund Act, 2015, which states that unutilized funds of the Project Management Committees shall be returned to the Constituency account at the close of the financial year.

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

4. Non-Compliance with the Law on Ethnicity

Review of human resource records revealed that during the year under review, the Fund had ten (10) employees. However, out of the 10, eight (8) or 80% were from the same ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain 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 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 control 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 time period by employees in the normal course of performing their assigned functions.

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

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


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

report. However, future events or conditions may cause the Fund to cease to 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

22 June, 2023

Navakholo 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
Receipts			
Transfers From NGCDF Board	1	169,177,758	115,900,000
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	24,000
Total Receipts		169,177,758	115,924,000
Payments			
Compensation Of Employees	4	4,607,505	2,964,974
Use Of Goods and Services	5	9,129,323	9,242,586
Transfers To Other Government Units	6	116,501,548	77,627,892
Other Grants and Transfers	7	36,388,558	45,089,941
Acquisition Of Assets	8	-	-
Other Payments	9	-	-
Total Payments		166,626,934	134,925,393
Surplus/(Deficit)		2,550,824	(19,001,393)

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 _____ 2022 and signed by:


Fund Account Manager
Name: Thomas M. Ontweka


National Sub-County
Accountant
Name: Juliet Lubanga
ICPAK M/No: 20580


Chairman NG-CDF Committee
Name: Kennedy Barasa Ngao

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


VIII. Statement of Assets and Liabilities as At 30th June, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	12,946,560	10,395,736
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		12,946,560	10,395,736
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		12,946,560	10,395,736
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities			
Net Financial Assets		<u>12,946,560</u>	<u>10,395,736</u>
Represented By			
Fund Balance B/Fwd	13	10,395,736	29,397,129
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		<u>2,550,824</u>	(19,001,393)
Net Financial Position		<u>12,946,560</u>	<u>10,395,736</u>

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 _____ 2022 and signed by:


Fund Account Manager
Name: Thomas M. Ontweka


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Name: Kennedy Barasa Ngao


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

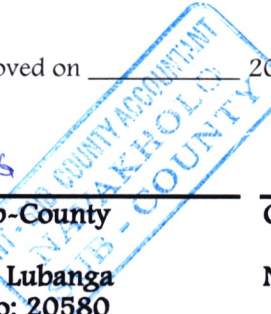
IX. Statement of Cash Flows for the Year Ended 30th June 2022


	Notes	2021 - 2021	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	169,177,758	115,900,000
Other Receipts	3	-	24,000
Total Receipts		169,177,758	115,924,000
Payments			
Compensation Of Employees	4	4,607,505	2,964,974
Use Of Goods and Services	5	9,129,323	9,242,586
Transfers To Other Government Units	6	116,501,548	77,627,892
Other Grants and Transfers	7	36,388,558	45,089,941
Other Payments	9	-	-
Total Payments		166,626,934	134,925,393
Total Receipts Less Total Payments		2,550,824	(19,001,393)
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		2,550,824	(19,001,393)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities			
Net Increase In Cash And Cash Equivalent		2,550,824	(19,001,393)
Cash & Cash Equivalent At Start Of The Year	10	10,395,736	29,397,129
Cash & Cash Equivalent At End Of The Year		12,946,560	10,395,736

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 _____ 2022 and signed by:


Fund Account Manager
Name: Thomas M. Ontweka


National Sub-County Accountant
Name: Juliet Lubanga
ICPAK M/No: 20580


Chairman NG-CDF Committee
Name: Kennedy Barasa Ngao

Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	c=a+b	d	e=c-d	f=d/c %
Receipts	2021/2022			2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	10,395,736	32,088,880	179,573,495	179,573,495	-	100%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	
Totals	137,088,879	10,395,736	32,088,880	179,573,495	179,573,495	-	100.0%
Payments							
Compensation of Employees	5,048,410	16,888	0	5,065,298	4,607,505	457,793	91.0%
Use of goods and services	7,289,589	1,849,185	0	9,138,774	9,129,323	9,451	99.9%
Transfers to Other Government Units	86,770,008	7,000,000	22,765,444	116,535,452	116,501,548	33,904	100.0%
Other grants and transfers	37,980,872	1,317,667	9,323,436	48,621,975	36,388,558	12,233,417	74.8%
Acquisition of Assets	0	92,755	0	92,755	-	92,755	0.0%
Other Payments	0	241	0	241	-	241	0.0%
UNALLOCATED FUND	0	119,000	0	119,000	-	119,000	
TOTAL	137,088,879	10,276,736	32,088,880	179,573,495	166,626,934	12,827,561	92.9%

**Funds pending approval are sums not yet approved by the board for utilisation and include AIA of kshs. 95,000 of 2019/2020 and kshs. 24,000 for 2020 /2021 totalling to kshs. 119,000 not yet allocated for specific projects by the Board.

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

- a) *(For the review items, indicate whether they form part of the "AIA" alongside the revenue category.)*
 b) *(Provide below a commentary on significant underutilization (below 90percentage of utilization) and any overutilization (above 100percentage))*
- 1.74.8percentage underutilization of funds under other grants and transfers is a result of delay in disbursement of funds from NGCDF Board. *(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23) The actual on a comparable basis in the summary statement of Appropriation. Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and payments.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	12,946,561
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
	12,946,561
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	12,946,561



The Constituency financial statements were approved on _____ 2022 and signed by:

(Signature)

National Sub-County Accountant

Name: Juliet Lubanga
ICPAK M/No: 20580

(Signature)

Chairman NG-CDF Committee

Name: Kennedy Barasa Ngao

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

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

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursement \$ Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,048,410	16,888	-	5,065,298	4,607,505	457,793
1.2 Committee allowances	1,248,000	346,135	-	1,594,135	1,594,135	-
1.3 Use of goods and services	1,928,923	220,202	-	2,149,125	2,149,125	-
Total	8,225,333	583,225		8,808,558	8,350,765	457,793
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000	368,356	-	1,868,356	1,868,356	-
2.2 Committee allowances	2,248,000	677,000	-	2,925,000	2,915,549	9,451
2.3 Use of goods and services	364,666	237,492	-	602,158	602,158	-
Total	4,112,666	1,282,848		5,395,514	5,386,063	9,451
3.0 Emergency						
3.1 Primary Schools						
a) Lukhuna Primary School	1,000,000	600,000	-	1,600,000	1,600,000	-
b) Navakholo Primary School	3,200,000	-	-	3,200,000	3,200,000	-
c) Esumeyia Primary School	300,000	-	-	300,000	300,000	-
d) Winlink Enterprises	435,000	-	-	435,000	435,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
e) Green Leaf Utilities	415,000	-	-	415,000	415,000	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
a) KMTC Navakholo	1,500,000	-	-	1,500,000	1,500,000	-
3.4 Security projects						
a) Makunga Police Station	300,000	-	-	300,000	300,000	-
3.5 Unutilized	42,207	567,667	500,000	1,109,874	0	1,109,874
Total	7,192,207	1,167,667	500,000	8,859,874	7,750,000	1,109,874
4.0 Bursary and Social Security						
4.1 Secondary Schools	15,000,000	150,000.00	-	15,150,000	10,701,500	4,448,500
4.2 Tertiary Institutions	12,968,665	-	300,036	13,268,701	13,124,058	144,643
4.3 Social Security	720,000	-	-	720,000	-	720,000
4.4 Special Schools	100,000	-	15,000	115,000	113,000	2,000
Total	28,788,665	150,000	315,036	29,253,701	23,938,558	5,315,143
5.0 Sports						
5.1 Sihanikha Primary School	50,000	-	-	50,000	-	50,000
5.2 Chebuyusi Primary School	50,000	-	-	50,000	-	50,000
5.3 Sikubale Primary School	50,000	-	-	50,000	-	50,000

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement §			
5.4 Namirama Primary School	50,000	-	-	50,000	-	50,000
5.5 Kisembe Primary School	50,000	-	-	50,000	-	50,000
5.6 Lusumu Primary School	50,000	-	-	50,000	-	50,000
5.7 Bushili Primary School	50,000	-	-	50,000	-	50,000
5.8 Ematiha Primary School	50,000	-	-	50,000	-	50,000
5.9 Ebumamu Primary School	50,000	-	-	50,000	-	50,000
5.10 Eshikhoni Primary School	50,000	-	-	50,000	-	50,000
5.11 Budonga Primary School	-	-	50,000	50,000	-	50,000
5.12 Kamuli Primary School	-	-	50,000	50,000	-	50,000
5.13 Mukama Primary School	-	-	50,000	50,000	-	50,000
5.14 Mungakha Primary School	-	-	50,000	50,000	-	50,000
5.15 St. Joseph's Matoyi Primary School	-	-	50,000	50,000	-	50,000
5.16 Simuli Primary School	-	-	50,000	50,000	-	50,000
5.17 Makhima Primary School	-	-	50,000	50,000	-	50,000
5.18 Chekata Primary School	-	-	50,000	50,000	-	50,000
5.19 Emulakha Primary School	-	-	50,000	50,000	-	50,000
5.20 Shinoyi Primary School	-	-	50,000	50,000	-	50,000

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
5.21 Unutilized	-	-	50,000	-	-	-
Total	500,000		500,000	1,000,000		1,000,000
6.0 Environment						
6.1 Shibembe Primary School	250,000	-	-	250,000	250,000	-
6.2 Good Shepherd Primary	250,000	-	-	250,000	250,000	-
6.3 Burangasi Primary School	-	-	250,000	250,000	250,000	-
6.4 Ematiha Primary School	-	-	250,000	250,000	250,000	-
Total	500,000		500,000	1,000,000	1,000,000	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 Shibembe Primary School	1,600,000	-	-	1,600,000	1,600,000	-
7.2 Good Shepherd Primary	1,600,000	-	-	1,600,000	1,600,000	-
7.3 Assumption of Our Lady Sipanga Primary School	1,600,000	-	-	1,600,000	1,600,000	-
7.4 Ewamakhumbi Primary	3,200,000	-	-	3,200,000	3,200,000	-
7.5 Kharanda Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.6 Naulu Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.7 Siyombe Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.8 Sihanikha Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.9 Sivilie Primary School	2,400,000	-	-	2,400,000	2,400,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement \$			
7.10 Mukama Primary School	1,600,000	-	-	1,600,000	1,600,000	-
7.11 Kisembe Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.12 Emafiha Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.13 Mwikoli Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.14 Ingotse Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.15 Namakoye Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.16 Mungakha Primary School	1,600,000	-	-	1,600,000	1,600,000	-
7.17 Bukhubalo Primary School	1,600,000	-	-	1,600,000	1,600,000	-
7.18 Emasinga Primary School	-	-	400,000	400,000	400,000	-
7.19 Lukhuna Primary School	-	-	1,600,000	1,600,000	1,600,000	-
7.20 Tanga Primary School	-	-	1,500,000	1,500,000	1,500,000	1,500,000
7.21 Emulama Primary School	-	-	400,000	400,000	400,000	-
7.22 Emulama Primary School	-	-	800,000	800,000	800,000	-
7.23 Kochwa Primary School	-	-	361,786	361,786	361,786	-
Total	36,800,000	-	5,061,786	41,861,786	40,361,786	1,500,000
8.0 Secondary Schools Projects (List all the Projects)						
8.1 St. Faul's Emulakha Sec	3,644,115	-	50,000.00	3,694,115	3,644,115.00	50,000
8.2 Buhayi Muslim Sec	3,656,428	-	-	3,656,428	3,656,428	-
8.3 St. Caroli Lwanga Lutaso	671,000	-	7,000,000.00	7,671,000	7,671,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.4 Ingotse High School	1,733,680	-	-	1,733,680	1733680	-
8.5 Sisokhe Secondary School	7,700,000	-	-	7,700,000	7671000	29,000
8.6 Chebuyusi High School	3,896,414	-	-	3,896,414	3896414	-
8.7 St. John's Shinoyi Sec	1,200,000	-	-	1,200,000	1200000	-
8.8 Nderema Secondary School	3,200,000	-	-	3,200,000	3200000	-
8.9 Simuli Secondary School	3,200,000	-	-	3,200,000	3200000	-
8.10 Shikomari Secondary School	3,200,000	-	-	3,200,000	3200000	-
8.11 Nang'anda Secondary School	3,200,000	-	-	3,200,000	3200000	-
8.12 Sisokhe Secondary School	3,200,000	-	-	3,200,000	3200000	-
8.13 Musaga Secondary School	-	-	1,950,000.00	1,950,000	1950000	-
8.14 Namundera Secondary School	-	-	1,000,000.00	1,000,000	1000000	-
8.15 Lwakhupa Secondary School	-	-	1,000,000.00	1,000,000	1000000	-
8.16 Sirigoi Secondary School	-	-	1,000,000.00	1,000,000	1000000	-
8.17 Buchangu Secondary School	-	-	2,500,000.00	2,500,000	2500000	-
8.18 Sivillie Secondary School	-	-	2,000,000.00	2,000,000	2000000	-
8.19 Nambacha Secondary School	-	-	1,000,000.00	1,000,000	1000000	-
8.20 St. Kizito Girls Secondary	-	-	203,658.00	203,658	148753	54,905
Total	38,501,637		17,703,658	56,205,295	56,071,390	133,905
9.0 Tertiary institutions Projects (List all the Projects)						

**Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement §			
9.1 KMTC Navakholo	1,468,371			1,468,371	1,468,371	-
9.2 KMTC Navakholo	10,000,000	7,000,000		17,000,000	17,000,000	-
Total	11,468,371	7,000,000	-	18,468,371	18,468,371	-
10.0 Security Projects						
10.1 Bunyala East Assistant County Commissioners Office	1,000,000	-		1,000,000	-	1,000,000
10.2 National Police Service	-	-	3,000,000	3,000,000	3,000,000	-
10.4 Bunyala Central Chief's Office	-	-	300,000	300,000	300,000	-
10.5 Bunyala West Chief's Office	-	-	2,000,000	2,000,000	2,000,000	-
10.6 Deputy County Commissioner	-	-	2,208,400	2,208,400		2,208,400
Total	1,000,000		7,508,400	8,508,400	5,300,000	3,208,400
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	92,755	-	92,755	-	92,755
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
Total	-	92,755	-	92,755	-	92,755
12.0 Others						

**Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme / Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.1 Strategic Plan	-	240	-	240	0	240
12.2 Innovation Hub	-	1	-	1	0	1
Total		241		241		241
13.0 Unallocated Funds	-	-	-	-	-	-
Unapproved projects	-	-	-	-	-	-
AIA	-	119,000	-	119,000	-	119,000
PMC savings (Acquisition of Asset)	-	-	-	-	-	-
Total		119,000		119,000		119,000
Grand Total	137,088,879	10,395,736	32,088,880	179,573,495	166,626,933	12,946,562

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-Navakholo 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.

Navakholo Constituency

National Government Constituencies Development Fund (NGCDF)

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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 30th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B105243	32,088,879.30	-
AIE NO. B105536	68,000,000	-
AIE NO. B128968	26,000,000	-
AIE NO. B128655	15,000,000	-
AIE NO. B154165	28,088,879	-
AIE NO. B124802	-	1,500,000
AIE NO. B104960	-	9,400,000
AIE NO. B124708	-	9,000,000
AIE NO. B119605	-	12,000,000
AIE NO. B119995	-	13,000,000
AIE NO. B128236	-	6,900,000
AIE NO. B129198	-	7,000,000
AIE NO. B132292	-	6,000,000
AIE NO. B138961	-	14,000,000
AIE NO. B126253	-	7,000,000
AIE NO. B105048	-	15,100,000
AIE NO. B140691	-	15,000,000
TOTAL	169,177,758.30	115,900,000

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)	-	-
Total	-	-

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

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	24,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	24,000

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,695,070	2,584,874
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,798,315	256,890
Employer Contributions Compulsory national social security schemes	114,120	123,210
Total	4,607,505	2,964,974

Navakholo Constituency
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Notes to the Financial Statements (Continued)

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	85,000	11,704
Water & sewerage charges	-	6,325
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	305,000	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	731,978	257,390
Other committee expenses	1,454,825	585,000
Committee allowance	5,546,600	6,932,100
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	465,956	796,220
Fuel , oil & lubricants	435,000	470,000
Other operating expenses	-	99,450
Bank service commission and charges	26,880	12,620
Security operations	-	-
Routine maintenance – vehicles and other transport equipment	78,084	71,777
Routine maintenance – other assets	-	0
Total	9,129,323	9,242,586

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	41,961,786	20,538,214
Transfers To Secondary Schools (See Attached List)	56,071,391	30,089,678
Transfers To Tertiary Institutions (See Attached List)	18,468,371	27,000,000
Total	116,501,548	77,627,892

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Notes to the Financial Statements (Continued)

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	10,701,500	10,209,875
Bursary – tertiary institutions (see attached list)	13,124,058	23,257,344
Bursary – special schools (see attached list)	113,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	5,300,000	3,961,786
Sports projects (see attached list)	-	1,136,396
Environment projects (see attached list)	1,000,000	-
Emergency projects (see attached list)	6,150,000	6,524,540
Total	36,388,558	45,089,941

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
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	-	-
Total	-	-

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

Navakholo Constituency
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Notes To the Financial Statements (Continued)

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank (Kenya) Limited, Kakamega Branch, Navakholo NGCDF, Account No. 0500279912889</i>	12,946,560	10,395,736
Total	12,946,560	10,395,736
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
N/A	N/A	N/A	N/A	N/A

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Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	10,395,736	29,397,129
Cash in hand	-	-
Imprest	-	-
Total	10,395,736	29,397,129

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Notes To the Financial Statements (Continued)

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>)	-	-	-
Total	-	-	-

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st 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 st 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	-	-

Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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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	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: Unutilized Funds (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	457,793	16,888
Use of goods and services	9,451	170,202
Amounts due to other Government entities (see attached list)	1,633,905	29,765,444
Amounts due to other grants and other transfers (see attached list)	10,633,417	12,320,085
Acquisition of assets	92,755	92,755
Others - ICT Hub	1	1
- Strategic plan	240	240
Funds pending approval	119,000	119,000
Total	12,946,562	42,484,615

Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	21,504,531	17,179,423
Total	21,504,531	17,179,423

**Navakholo Constituency
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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Navaholo Constituency
 National Government Constituencies Development Fund (NGCDF)
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Annex 2 - Analysis of Pending Staff Payables

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

**Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Unspent amount for gratuity	457,793	16,888	
Use of goods & services		-	170,202	
Use of Goods	Unspent amount for stationeries	9,451	-	
Sub-Total		467,244	187,090	
Amounts due to other Government entities				
Primary Schools				
1. Emulama Primary School		-	1,200,000	
2.Emasinga Primary School		-	400,000	
3.Lukhuna Primary School		-	1,600,000	
4.Kochwa Primary School		-	361,786	
5.Tanga Primary School	Amount for purchase land.	1,500,000	1,500,000	
Secondary Schools				
1.Ebumamu Secondary School		-	-	
2.St. Paul's Emulakha Secondary School	Saving from the project	50,000	50,000	
3.Buhayi Muslim Secondary School		-	-	
4.Bukhubalo Secondary School		-	-	
5.Musaga Secondary School		-	1,950,000	
6.Namundera Secondary School		-	1,000,000	
7.Lwakhupa Secondary School		-	1,000,000	
8.Sirigoi Secondary School		-	1,000,000	
9.Buchangu Secondary School		-	2,500,000	
10.Sivillie Secondary School		-	2,000,000	

**Navakholo Constituency
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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
11.St. Caroli Lwanga Secondary School		-	7,000,000	
12.St. Kizito Girls Secondary School	Saving from the project	54,905	203,658	
13.Nambacha Secondary School		-	1,000,000	
14. Sisokhe Secondary School	Saving from the project	29,000	-	
Tertiary Institutions				
1.KMTC –Navakholo		-	7,000,000	
Sub-Total		1,633,905	29,765,444	
Amounts due to other grants and other transfers				
Security				
1.Deputy County Commissioner's Office	Saving from the project	2,208,400	2,208,400	
2.National Police Service		-	3,000,000	
3.Bunyala West Chief's Office		-	2,000,000	
4.Bunyala Central Chief's Office		-	300,000	
5. Bunyala East Assistant County Commissioner's Office	Amount for purchase of land	1,000,000	-	
Emergency-Unutilized	Unspent amount for emergency projects	1,109,874	1,167,667	
Sports				
1. Sihanikha Primary School	Amount for sports uniforms	50,000	-	
2 Chebuyusi Primary School	Amount for sports uniforms	50,000	-	
3 Sikubale Primary School	Amount for sports uniforms	50,000	-	
4 Namirama Primary School	Amount for sports uniforms	50,000	-	
5 Kisembe Primary School	Amount for sports uniforms	50,000	-	
6 Lusumu Primary School	Amount for sports uniforms	50,000	-	
7 Bushili Primary School	Amount for sports uniforms	50,000	-	
8 Ematiha Primary School	Amount for sports uniforms	50,000	-	

Navakholo Constituency
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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
9 Ebumamu Primary School	Amount for sports uniforms	50,000	-	
10 Eshikhoni Primary School	Amount for sports uniforms	50,000	-	
11 Budonga Primary School		-	50,000	
12 Kamuli Primary School		-	50,000	
13 Mukama Primary School		-	50,000	
14 Mungakha Primary School		-	50,000	
15 St. Joseph's Matoyi Primary School		-	50,000	
16 Simuli Primary School		-	50,000	
17 .Makhima Primary School		-	50,000	
18 Chekata Primary School		-	50,000	
19 Emulakha Primary School		-	50,000	
20 Shinoyi Primary School		-	50,000	
Environment				
1.Ematiha Primary School		-	250,000	
2.Burangasi Primary School		-	250,000	
Bursary				
1.Special Schools	Unspent amount for bursary	2,000	200,000	
2.Secondary Schools	Unspent amount for bursary	4,448,500	1,900,632	
3.Tertiary Institutions	Unspent amount for bursary	144,643	43,386	
4.Social Security	Unspent amount for NHIF(social security)	720,000	-	
Sub-total		10,633,417	12,320,085	
Acquisition of assets				
Construction of CDF office	Saving from the project	92,755	92,755	
Sub-total		92,755	92,755	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Others (specify)				
1. ICT Hub	Saving from the project	1	1	
2. Strategic Plan	Saving from the project	240	240	
Sub-total		241	241	
Funds pending approval				
AIA	Unallocated funds to projects	119,000	119,000	
PMC savings			-	
Sub-Total		119,000	119,000	
Grand Total		12,946,562	42,484,615	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	850,000	-	-	850,000
Buildings and structures	17,639,795	-	-	17,639,795
Transport equipment	493,200	-	-	493,200
Office equipment, furniture and fittings	2,000,000	-	-	2,000,000
ICT Equipment, Software and Other ICT Assets	1,124,250	-	-	1,124,250
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	22,107,245	-	-	22,107,245

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

PMC	Bank	Account number	Account opening date	Bank Balance 2021/22	Bank Balance 2020/21
Our Lady Sipanga Primary School	Equity Bank – Kakamega	0500281003932	21/09/2021	444,095	800,000
Navakholo Deputy County Commissioner's Office	Equity Bank – Kakamega	0500280968610	01/12/2021	430	430
Shibembe Primary School	Equity Bank – Kakamega	0500280964228	10-12-21	554,736	799,550
Good Sheperd Primary School	Equity Bank – Kakamega	0500280956255	15-11-21	676,149	699,550
Namirama Primary School	Equity Bank – Kakamega	0500280940147	15-11-20	161,205	1,600,000
St. Joseph's Matoyi Primary School	Equity Bank – Kakamega	0500280752583	14-10-20	362	168,954
Makhima Primary School	Equity Bank – Kakamega	0500280752704	11-08-20	870	346,091
Bunyala West Chief's Office	Equity Bank – Kakamega	0500280752269	10-08-20	20,000	1,000,000
Nambacha Primary School	Equity Bank – Kakamega	0500280749353	25-3-21	751	277,231
Simakina Primary School	Equity Bank – Kakamega	0500280553476	09-02-21	9,430	399,550
St. Peter's Bukhubalo Secondary School	Equity Bank – Kakamega	0500279914443	03-07-20	57,247	1,927,247
Lutaso Primary School	Equity Bank – Kakamega	0500279808698	08-05-20	200	34,880
Nderema Primary School	Equity Bank – Kakamega	0500279805696	06-05-20	2,410	2,410
Kochwa Primary School	Equity Bank – Kakamega	0500279801080	04-05-20	1,438	9,888
Good Sheperd Primary School	Equity Bank – Kakamega	0500279752602	26-03-20	48,195	48,195
Sidikho Secondary School	KCB – Kakamega	1272452298	16-10-20	9,874	9,874
Emulama Primary School	Equity Bank – Kakamega	0500279738022	19-03-20	9,182	149,982
Emasinga Primary School	Equity Bank – Kakamega	0500279737496	19-03-20	59,921	63,220

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PMC	Bank	Account number	Account opening date	Bank Balance 2021/22	Bank Balance 2020/21
Nambacha Secondary School	Equity Bank – Kakamega	0500279724810	12-08-17	202,127	112,332
Simuli Secondary School	Equity Bank – Kakamega	0500279718225	11-03-20	647	647
St. Aquinas Buchangu Secondary School	Equity Bank – Kakamega	0500279712929	11-04-20	4,598	134,587
St. Margaret Wading'o Primary School	Equity Bank – Kakamega	0500279703180	15-04-20	18,307	18,307
Lukhuna Primary School	Equity Bank – Kakamega	0500279702894	15-06-21	663,995	663,995
Eshikhoni Primary School	Equity Bank – Kakamega	0500279696811	06-08-15	807	807
Bushili Primary School	Equity Bank – Kakamega	0500279694491	15-15-20	807	1,320
Bushili Primary School	Equity Bank – Kakamega	0500279694506	14-05-20	38,764	38,764
Simakina Primary School	Equity Bank – Kakamega	0500279678505	15-06-18	97	97
Mwikoli Primary School	Equity Bank – Kakamega	0500279694109	25-04-20	807	807
St. Paul's Emulakha Secondary School	Equity Bank – Kakamega	0500279674227	25-07-21	380	216,807
Buhayi Muslim Secondary School	Equity Bank – Kakamega	0500279649778	28-08-20	710,947	710,947
Buhayi Muslim Secondary School	Equity Bank – Kakamega	0500279649791	25-08-20	880	72,626
Sisokhe Primary School	Equity Bank – Kakamega	0500279615804	20-06-20	760	760
Emasinga Primary School	Equity Bank – Kakamega	0500279466728	20-06-20	3,195	3,195
St. Teresa's Ebumamu Secondary School	Equity Bank – Kakamega	0500279332048	21-05-20	1,777	1,309,149
Tumaini Community School	Equity Bank – Kakamega	0500278994714	26-08-19	7,480	7,480
Ebumangale Primary school	Equity Bank – Kakamega	0500278995135	25-08-19	860	860
Navakholo Police Post	Equity Bank – Kakamega	0500278991360	25-05-19	989	989

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PMC	Bank	Account number	Account opening date	Bank Balance 2021/22	Bank Balance 2020/21
Namundera Secondary School	Equity Bank – Kakamega	0500278988380	12-06-21	266,814	116,405
St. Paul's Lwakhupa Secondary School	Equity Bank – Kakamega	05002789885960	26-07-21	1,046,454	809,099
Friends School Musaga	Equity Bank – Kakamega	05002789884862	20-06-20	1,613	59,539
St. Mary's Ebutenje Girls Secondary School	Equity Bank – Kakamega	05002789883265	13-05-20	3,155	1,399,820
Friends School Sirigoi	Equity Bank – Kakamega	05002789883276	13-02-20	1,349	8,439
KMTC Navakholo	Equity Bank – Kakamega	0500278890964	08-12-19	59,744	1,170
Navakholo DCC's Office	Equity Bank – Kakamega	0500278885041	11-06-16	7	7
Weremba Muslim Secondary School	Equity Bank – Kakamega	0500278816554	16-04-20	41,660	41,660
Sikubale Primary School	Equity Bank – Kakamega	0500278814731	12-10-19	1,815	1,815
Chekata Primary School	Equity Bank – Kakamega	0500278814890	11-07-18	3,229	3,229
Shibembe Primary School	Equity Bank – Kakamega	0500278688143	15-06-19	13,145	13,145
Nambacha Mixed Secondary School	Equity Bank – Kakamega	0500278459591	20-10-20	1,775	1,316,186
Ingotse Girls Secondary School	Co-operative Bank - Kakamega	0113963285610	15-8-20	3,880	519,962
St. Raphael's Burangasi Secondary School	Equity Bank – Kakamega	0500277622001	11-07-18	1,286	1,286
Lwakhupa Primary School	KCB – Kakamega	1233981099	15-7-20	1,497	1,497
Job's Primary School	Co-operative Bank - Kakamega	0113980404920	20-04-20	1,040	1,040
Navakholo Police Division Office	Co-operative Bank - Kakamega	0114180425010	15-7-20	1,000	1,000
Muregu AP Camp	Cooperative Bank – Kakamega	0114163145570	15-7-20	11,825	11,825
Lutaso Chief's Office	Cooperative Bank – Kakamega	0114163145560	15-7-20	4,325	4,325

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PMC	Bank	Account number	Account opening date	Bank Balance 2021/22	Bank Balance 2020/21
Sisokhe Primary School	Cooperative Bank - Kakamega	0113916562740	20-11-20	2,162	2,162
St. Margaret's Wading'o Primary School	Co-operative Bank - Kakamega	0113963275920	20-10-20	7,072	7,072
Siyombe Primary School	Co-operative Bank - Kakamega	0113916525260	20-10-20	1,695	1,695
Sirigoi Primary School	Cooperative Bank - Kakamega	0113909842410	15-8-20	770	770
Assumption of Our Lady Sipanga Primary School	Co-operative Bank - Kakamega	0113963275930	15-8-20	3,598	3,598
Ebumamu Primary School	Cooperative Bank - Kakamega	0113963276600	17-8-20	1,833	1,833
Chebuiyusi Muslim Primary School	Co-operative Bank - Kakamega	0113963276570	20-8-20	1,022	1,022
Namabacha AP Camp	Co-operative Bank - Kakamega	0114163262280	20-8-20	2,326	2,326
Natunyi Community Health Centre	Equity Bank - Kakamega	0500270344638	26-10-16	1,635	1,635
Buchangu Dispensary	Equity Bank - Kakamega	0500270126325	7-10-16	79,680	79,680
St. John's Budonga Secondary School	Equity Bank - Kakamega	0500270211662	19-10-16	2,998	2,998
Kochwa Primary School	KCB - Kakamega	1200908570	25-10-20	10,847	10,847
Ematiha Secondary School	Equity Bank - Kakamega	0500270175449	11-10-16	1,495	1,495
Eshikhoni Primary School	KCB - Kakamega	1200472195	20-10-20	674	674
Navakholo Secondary School	Equity Bank - Kakamega	0500270075427	04-10-16	2,450	2,450
Eshilakwe Primary School	Equity Bank - Kakamega	0500264911739	7-9-15	4,688	4,688
Mukama Primary School	Co-operative Bank - Kakamega	0113901192630	25-4-20	6,095	475,095
Ewamakhumbi Primary School	Co-operative Bank - Kakamega	0113916561050	25-4-20	6,098	6,098

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PMC	Bank	Account number	Account opening date	Bank Balance 2021/22	Bank Balance 2020/21
St. Kizito Girls Secondary School Lusumu	Equity Bank – Kakamega	0500264093425	30-4-15	1,520	1,520
Nang'anda D. O's Office	Cooperative Bank – Kakamega	0114163107530	20-4-20	3,512	3,512
St. Raphael's Burangasi Secondary School	Co-operative Bank - Kakamega	0113963112490	15-7-20	2,762	2,762
St. Paul's Emulakha Secondary School	KCB – Kakamega	1156882885	20-6-19	520	520
Shinoyi Secondary School	KCB - Kakamega	1156846579	20-6-19	1,416	315,558
Shinoyi Chief's Office	KCB – Kakamega	1156787653	25-6-19	67,357	67,357
Eshilakwe Dos Office PMC	KCB - Kakamega	1154471152	25-6-19	6,239	6,239
Sidikho Chief's Office	Cooperative Bank – Kakamega	0114154564140	25-8-18	5,490	5,490
Namirama Girls High School	KCB - Kakamega	1130971007	17-8-17	1,803	1,803
Ingotse High School	KCB – Kakamega	1110703775	18-6-17	8,733	223,847
Emuhuni Primary School	Cooperative Bank – Kakamega	0113901192600	15-6-17	1,700	1,700
Shibembe Primary School	Equity Bank – Kakamega	0500282527021	19-4-22	1,500	-
Kharanda Primary School	Equity Bank – Kakamega	0500282083110	07-12-21	105,830	-
Naulu Primary School	Equity Bank – Kakamega	0500282062870	01-12-21	265,222	-
Siyombe Primary School	Equity Bank – Kakamega	0500282088157	08-12-21	9,949	-
Sihanikha Primary School	Equity Bank – Kakamega	0500282060081	30-11-21	287,691	-
Sivilie Primary School	Equity Bank – Kakamega	0500282415435	16-03-22	2,400,000	-
Mukama Primary School	Equity Bank – Kakamega	0500282088117	08-12-21	378,150	-
Kisembe Primary School	Equity Bank – Kakamega	0500282507625	11-4-22	809,825	-

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PMC	Bank	Account number	Account opening date	Bank Balance 2021/22	Bank Balance 2020/21
Ematiha Primary School	Equity Bank – Kakamega	0500282402670	11-3-22	2,400,000	-
Mwikoli Primary School	Equity Bank – Kakamega	0500282402430	11-3-22	2,400,000	-
Ingotse Primary School	Equity Bank – Kakamega	0500281309782	21-9-21	49,550	-
Friends Namakoye Primary School	Equity Bank – Kakamega	0500282062267	01-12-21	48,210	-
Mungakha Primary School	Equity Bank – Kakamega	0500282509009	11-4-22	586,599	-
Bukhubalo Primary School	Equity Bank – Kakamega	0500282057325	30-11-21	539	-
Sisokhe Primary School	Equity Bank – Kakamega	0500278220069	13-12-18	1,149	-
Sisokhe Secondary School	Equity Bank – Kakamega	0500279742293	20-3-20	1,000	-
Chebuyusi High School	Equity Bank – Kakamega	0500281991516	11-11-21	424,278	-
St. John's Shinoyi Secondary School	Equity Bank – Kakamega	0500282443821	23-3-22	10,642	-
Nderema Secondary School	Equity Bank – Kakamega	0500282063691	01-12-21	255,792	-
Simuli Secondary school	Equity Bank – Kakamega	0500282086429	07-12-21	1,347,348	-
Shikomari Secondary school	Equity Bank – Kakamega	0500282063626	01-12-21	824,685	-
Nang'anda Secondary school	Equity Bank – Kakamega	0500282464657	30-3-22	1,426,350	-
Navakholo Primary School	Equity Bank – Kakamega	0500281263319	21-9-21	451,128	-
Makunga Police Station	Equity Bank – Kakamega	0500282219355	01-12-21	432	-
Esumeyia Primary School	Equity Bank – Kakamega	0500282008843	16-11-21	4,630	-
Lukhuna Primary School	Equity Bank – Kakamega	0500281184204	20-8-21	1,589,412	-
Ewamakhumbi Primary School	Cooperative Bank – Kakamega	0113916561050		6,098	-

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PMC	Bank	Account number	Account opening date	Bank Balance 2021/22	Bank Balance 2020/21
Total				21,504,531	17,179,423

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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)
NGCDF/NVHL/DAR/2020/2021	<p>1. Unsupported Management Committee (PMC) Bank Account Balances</p> <p>Note 9.2 to the financial statements reflects Project Management Committee (PMC) bank account balances totalling Kshs. 17,179,423 as at 30 June, 2021, as detailed in Annex 3 to the financial statements. However, bank reconciliation statements and cash books for balances totalling Kshs. 16,012,309 were not provide for audit review.</p> <p>Consequently, the validity and accuracy of the Project Management Committee bank account balances totalling Kshs. 16,012,309 as at 30 June, 2021, could not be confirmed.</p>	<p>It is true during the time of audit bank reconciliations statements and cash books for balances totalling to Kshs 16,012,309 were not availed since they were with the PMCs. They are now available for your review (Annex 1)</p>	Not Resolved	15 th March 2023
NGCDF/NVHL/DAR/2020/2021	<p>Accuracy and Presentation of the Financial Statements</p> <p>2.1 Surplus for the year</p>	<p>It is true the Statement of receipts and payments erroneously indicated that the Fund had a surplus for</p>	Not Resolved	15 th March 2023

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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)
NGCDF/NVHL/DAR/2020/2021	<p>The Statement of receipts and payments indicates that the Fund had a surplus for the year of Kshs. 19,001,393 while the correct position is a deficit for the year of Kshs. 19,001,393. No explanation was provided for the anomaly. Consequently, the accuracy of the statements of receipts and payments could not be confirmed.</p> <p>2.2 Cash and Cash Equivalents</p> <p>The Statement of cash flows indicates that the cash and cash equivalents at the beginning of the year relates to Note 7 of the Financial statements while the correct position is that Note 7 relates to cash and cash equivalents at the end of the year. No explanation was also provided for the anomaly. Consequently, presentation of the financial statements is incorrect. Consequently, the accuracy of the summary statement of appropriation could not be confirmed.</p>	<p>the year of Kshs. 19,001,393 which we have now corrected as indicated in our financial statements (Annex 2)</p> <p>It is true during the time of audit the Statement of cash flows erroneously indicates the cash and cash equivalents at the beginning of the year which we have now corrected in our financial statements thus, Note 7 relates to cash and cash equivalents at the end of the year. (Annex 2)</p>	Not Resolved	15 th March 2023
NGCDF/NVHL/DAR/2020/2021	<p>2.3 Summary Statement of Appropriation</p>	It is true that the summary statement of	Not Resolved	15 th March 2023

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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)
	The summary statement of appropriation reflects a total receipts budget of Kshs. 177,410,008 and actual receipts of Kshs. 145,321,128 giving a difference of Kshs. 32,112,880 instead of the correct recalculated difference of Kshs. 32,088,880. No explanation was also provided for the anomaly.	appropriation reflects a total receipts budget of Kshs. 177,410,008 and actual receipts of Kshs. 145,321,128 giving a difference of Kshs. 32,112,880 instead of the correct recalculated difference of Kshs. 32,088,880. We have corrected the financial statements by indicating the corrected amount of Kshs. 32,088,880. (Annex 2)		
NGCDF/NVHL/DAR/2020/2021	Other Matter 1. Budget The summary statement of appropriation indicates that the fund had a final approved budget of Kshs. 177,410,008 for the year under review. However, the Fund realized actual receipts of Kshs. 145,321,128 (or about 82%). No explanation was provided for the failure to obtain the balance of Kshs. 32,088,880. Consequently, the residents of Navakholo Constituency	It is true we received Kshs. 145,321,128 instead of our budgeted receipts of Kshs. 177,410,008. The short fall of Kshs. 32,088,880 was by then held by the NGCDF Board. This funds was later released on 23 rd July, 2021 through AIE no. B105243. (Annex 3) Our actual expenditure was Kshs. 134,925,393 thereby resulting to an under expenditure of	Not Resolved	15 th March 2023

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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)
NGCDF/NVHL/DAR/2020/2021	<p>were denied services that were planned for during the year.</p> <p>In addition, out of the actual receipts of Kshs. 145,321,128, the Fund expended only Kshs. 134,925,393. No explanation was also provided for the failure to utilize the remaining balance of Kshs. 10,395,735. Consequently, the residents of Navakholo Constituency were denied services that were planned for during the year under review</p> <p>2. Project Implementation Status</p> <p>Review of the Project Implementation Status (PIS) report as at 30 June, 2021, reveals that Fund had planned to implement sixty-six (66) projects at a cost of Kshs. 147,320,993. However, according to the PIS, thirty-one (31) projects costing Kshs. 75,111,786 had been completed, twenty-two projects costing Kshs.61,517,000 were ongoing and at various levels of completion, while thirteen (13)</p>	<p>Kshs. 10,395,735. This amount was because of the amount that was being held by the NGCDF Board and the amount which was received late June 2021 through AIE no. B140691 (Kshs. 15,000,000) which could not be spent immediately (Annex 4)</p> <p>It is true during the time of audit 22 projects were still ongoing and 13 projects had not started this was because some projects funds amounting to Kshs. 32,088,880 was still held by the NGCDF Board and Kshs. 15,000,000 came on 24th June, 2021 and so could not be spent immediately. This projects have now been implemented except a few which are still ongoing. (Annex 3, 4 & 5)</p>	Not Resolved	

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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)
	<p>projects costing Kshs. 10,692,207 had not commenced and no reason was provide as to why the same had not commenced.</p> <p>Non-implementation of projects as planned is an indication that the residents of Navakholo Constituency did not receive the services that they were entitled to</p>			

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Thomas M. Ontweka
Fund Account Manager.

