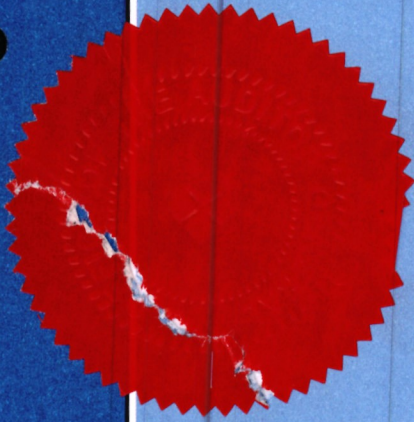


REPUBLIC OF KENYA



Enhancing Accountability



PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY

DATE: 08 AUG 2023

DAY

TUESDAY

OF
BY:

CLERK-AT
THE-TABLE:

Hon. Owen Yaa Bayo, MP
Deputy leader, majority party
Anne Shubuko

THE AUDITOR-GENERAL

ON

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

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



RONGO 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)

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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;

Rongo Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Enock O. Nyasende
2.	Sub-County Accountant	Jared O. Orinda
3.	Chairman NGCDFC	Moureen Auma
4.	Member NGCDFC	Richard Onyango Ochieng

(d) Fiduciary Oversight Arrangements

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

P.O. Box 542-40404
NG-CDF Building
Rongo Sub County Headquarters
Rongo.

(f) Rongo Constituency NGCDF Contacts

Telephone: (254) 723362923
E-mail: cdfrongo@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Rongo Constituency NGCDF Bankers

Kenya Commercial Bank of Kenya
1121172210
P.O BOX 266-40404
Rongo, Kenya.

(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

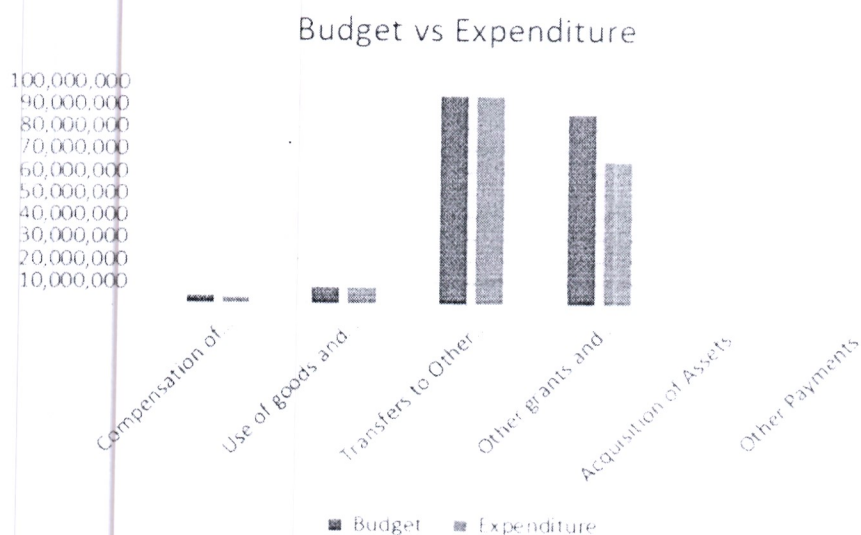
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman’s Report



Once again it is that time of the year when, as per the law, we present to you the Financial Statements of Rongo NGCDF for the financial year 2021/2022. In the financial year 2021/2022 the Constituency was allocated Kshs.137,088,879.00. Balance brought forward from the previous financial year was Ksh. 58,118,863.00 making the total budget for the year to be Ksh. 195,207,742. The Constituency spent a total of Ksh.172, 908,488.00 representing 88.8% of the total allocation. The under absorption was occasioned by a delay in receipt of funds from the NGCDF Board and requisite procedures before spending.

The performance per sector was as follows: Compensation of employees was 90.8 % while Use of Goods and Services and Transfer to Other Government Units registered 100% absorption rate each. Other grants and other transfers registered an absorption rate of 75.4%, while Acquisition of Assets registered 100% absorption. Below is a representation of budget against expenditure in each section.

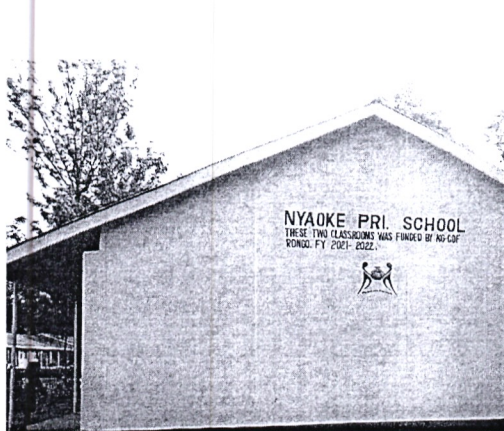


Rongo Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

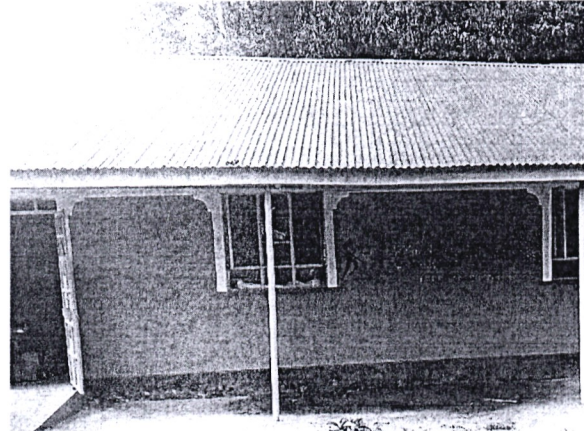
Some funds were received from sale of tender documents and hire of our hall.

Compared to the previous financial year, the absorption rate of the constituency improved from 59.60% to 88.8%.

During the Financial Year 2021/22 a number of projects were initiated and completed. A few others are still going on since they were being financed in phases. Here are some of the sampled projects:



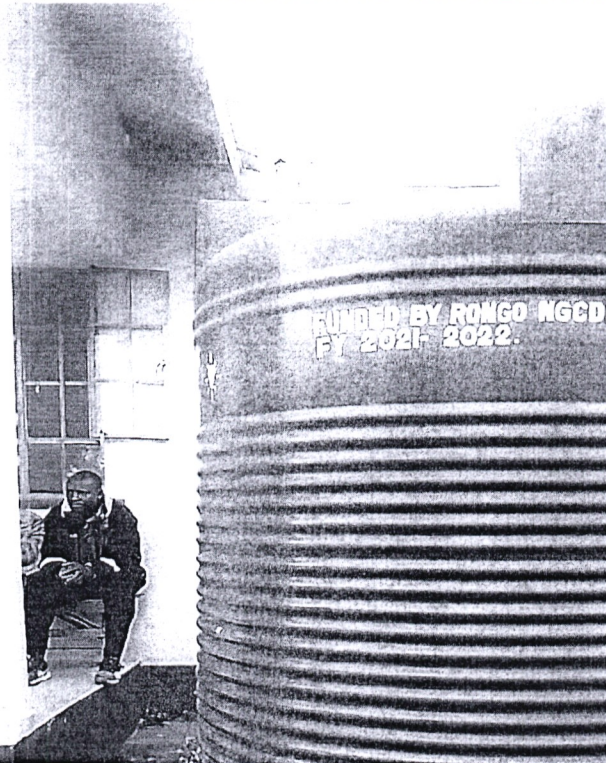
NYAOKE PRIMARY SCHOOL
CONSTRUCTION OF 2No. CLASSROOMS



ST DALMAS PRIMARY SCHOOL
CONSTRUCTION OF 1No. CLASSROOM



BANDA MIXED SEC SCHOOL
CONSTRUCTION OF 3No. CLASSROOMS



CHIEF'S OFFICE CENTRAL KAMAGAMBO
10,000LTRS WATER TANK INSTALLED

Rongo Constituency

National Government Constituencies Development Fund (NGCDF)

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

The Constituency has encountered a number of challenges during the implementation of projects the biggest being the piecemeal funding of projects which delays the completion of phased funded projects. The Constituency is endeavouring to finance most projects within a single phase. The other challenge is inadequate funding which limits the scope of works which can be done. The Constituency is trying to allocate sufficient funds to complete all the necessary works. Finally, some areas have poor access roads and reaching them becomes extremely difficult. The Constituency opened some access roads to ensure that schools are accessible.



.....
Name
CHAIRPERSON NGCDF COMMITTEE

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

Introduction

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

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

- a) *To improve infrastructural capacity and number of teaching staff of the constituency's educational institutions to enable them provide quality, efficient and effective education and training.*
- b) *Provide bursaries to needy and deserving students to undertake schooling and various skills - based trainings*
- c) *To enhance national government coordination, administration, security and promote social norms to facilitate peaceful co-existence among the people and create a conducive environment for development*
- d) *To improve supply of clean water and sanitation facilities*
- e) *To harness sporting and creative talents of the youth*

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	a) To improve infrastructural capacity and number of teaching staff of the constituency's educational institutions to enable them provide quality, efficient and effective education and	Completed classrooms; laboratories; toilets; and multipurpose halls	<ul style="list-style-type: none">- Number of classrooms, admin blocks, and libraries have been built and renovated.- Number of bursary beneficiaries	In FY 21/22 -we have managed to do 89 classrooms, 2 admin blocks, and 2 libraries. This being an increase from the previous financial year. - Bursary beneficiaries at all levels were as per the attached schedules. 5200 beneficiaries were awarded.

Rongo Constituency

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

	<p>training.</p> <p>b) Provide bursaries to needy and deserving students to undertake schooling and various skills - based trainings</p>			
Security	<p>To enhance national government coordination, administration, security and promote social norms to facilitate peaceful co-existence among the people and create a conducive environment for development</p>	<p>Space for development of new Police Posts Chiefs offices</p>	<p>Number of police stations administrative blocks set up. -Chief's offices constructed</p>	<p>Renovation of D.C.C's Residence</p>
Environment	<p>To improve supply of clean water and sanitation facilities</p>	<p>Provision of water tanks</p>	<p>No. of water tanks</p>	<p>16 Water tanks acquired and distributed to respective schools</p>
Sports	<p>To harness sporting and creative talents of the youth</p>	<p>Sponsor sports festivals</p>	<p>One Constituency sports Tournament. Winners rewarded with sports kits.</p>	<p>One Constituency tournament was conducted. Winners were awarded trophies, uniforms, and balls..</p>
Emergency	<p>To have interventions in emergency cases</p>	<p>Emergencies attended to.</p>	<p>Attend to emergencies arising in the constituency.</p>	<p>COVID-19 Interventions were made. -2 Emergency access roads were done - 12 Classrooms and administration blocks renovated.</p>

IV. Environmental and Sustainability Reporting

Rongo 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.

I. Sustainability strategy and profile -

To ensure sustainability of Rongo NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Rongo NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- The Constituency Purchased and installed 16No. 10,000 litres water tanks in various primary and secondary schools and security establishments.
- The Rongo NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation and the impact of drugs.
- The Rongo NG-CDF has purchased and installed 16 water tanks in various primary schools and secondary schools and security establishments as part of its efforts in environmental conservation.

3. Employee welfare

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

Rongo 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-

Rongo NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

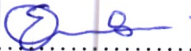
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

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



.....
Enock O. Nyasende

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-Rongo 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-Rongo 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Rongo Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Rongo Constituency

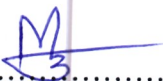
National Government Constituencies Development Fund (NGCDF)

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

The Accounting Officer in charge of the NGCDF Rongo Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Rongo Constituency financial statements were approved and signed by the Accounting Officer on 30/9/ 2022.



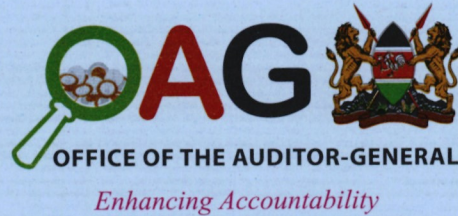
.....
Name: Moureen Auma
Chairman – NGCDF Committee



.....
Name: Enock O Nyasende
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - RONGO 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 - Rongo Constituency set out on pages 1 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article

229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Routine Maintenance-Vehicles and Other Transport Equipment

The statement of receipts and payments reflects Kshs.8,260,072 in respect to use of goods and services which, as disclosed in Note 5 to the financial statements includes an expenditure on routine maintenance of vehicles and other transport equipment of Kshs.328,086. However, no pre-inspection and post-inspection reports were provided for audit indicating that there were needs for repairs and that the repairs were done to the satisfaction of the users.

In the circumstances, the propriety and value for Kshs.328,086 spent on routine maintenance of vehicles and other transport equipment could not be confirmed.

2. Cash and Cash Equivalents-Unpresented Cheques

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.22,611,225. However, bank reconciliation statement as at 30 June, 2022 reflects payments in the cash book not yet recorded in the bank statement (unpresented cheques) amounting to Kshs.7,365,248, some dating as far back as June, 2021 and majority of them relate to bursaries for school fees to various learning institutions. It is not clear why the cheques remained unpresented given that the beneficiaries were needy students. In addition, no bank statement was provided to confirm when the unpresented cheques were cleared.

In the circumstances, the accuracy and completeness of cash and cash equivalents of Kshs.22,611,225 could not be confirmed.

3. Failure to Maintain an Updated Fixed Assets Register

Disclosed in Annex 4 to the financial statements is a summary of fixed assets register which reflects a balance of Kshs.34,038,784 as at 30 June, 2022. However, review of the fixed asset register and physical verification revealed the following anomalies:

- i. The assets register was not up to date as some assets owned by the Fund, were not included in the register. In addition, the costs/valuation of some of the assets included in the register could have been lower than the amounts indicated.
- ii. All fixed assets owned by the Fund were not tagged.
- iii. Ownership documents in respect of land, motor vehicle- GK A552R and motorcycle- GKA 827 T were not provided for audit verification.

- iv. Motor vehicle-GK A552R had been grounded due to its unserviceability and continued to lose its recoverable value based on the observable physical and mechanical status.

In the circumstances, the valuation, ownership and completeness of the Fund's fixed assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Rongo 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final expenditure budget and actual on comparable basis of Kshs.195,213,742 and Kshs.172,908,488 resulting to an under-expenditure of Kshs.22,305,254 or 11% of the budget.

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

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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 6 to the financial statements, reflects transfers to other government units amount of Kshs.94,663,993.

However, the following audit issues were noted:

1.1 Construction of Storey Building at Kanyimach Secondary School

The transfers to other government units amount of Kshs.94,663,993 includes transfers to secondary schools expenditure of Kshs.55,319,875 out which, Kshs.6,000,000 was

disbursed to Kanyimach Secondary School for construction of a ground floor slab, installations of ground floor columns and a septic tank for a proposed one storey building, comprising of 8 classrooms, 4 administration offices, 3 toilets with one chamber catering for persons with disability and a septic tank. However, audit inspection of the project in the month of March, 2023 revealed that the building had been done up to the ground floor slab but installations of ground floor columns and the septic tank had not been done.

In the circumstances, value for Kshs.6,000,000 spent on the project could not be confirmed.

1.2 Purchase of Laboratory Equipment at Osodo Mixed Secondary School

The transfers to secondary schools' expenditure of Kshs.55,319,875 includes Kshs.2,500,000 spent on purchase of laboratory equipment at Osodo Mixed Secondary School. However, audit inspection in March, 2023 revealed that the School had no laboratory for the equipment.

In the circumstances, value for Kshs.2,500,000 spent on supply of laboratory equipment could not be confirmed.

1.3 Incomplete Construction of Classrooms at Kanga Primary School

The transfers to other government units amount of Kshs.94,663,993 includes transfers to primary schools' amount of Kshs.39,344,118 out of which, Kshs.1,300,000 was disbursed to Kanga Primary School for renovation of 5 classrooms to completion; floor screed, fixing windows, glazing, plastering and rendering, filling gables, fixing fascia boards, painting and decoration at the school. The contract was awarded to a contractor at a contract sum of Kshs.1,299,980. Audit inspection in March, 2023 revealed that the project was not complete as plastering and fixing fascia boards had not been done and the project had not been branded as per the provisions of the corporate identity manual. Further, it was not clear how the certificate of completion was issued on 10 May, 2022 yet some of the works were still outstanding.

In the circumstances, value for Kshs.1,300,000 spent on this project could not be confirmed.

1.4 Incomplete Construction of Classrooms at Kamgundho Primary School

The transfers to primary schools amount of Kshs.39,344,118 also includes Kshs.2,400,000 disbursed to Kamgundho Primary School for the renovation of 8 classrooms to completion; fixing doors and windows, hard core, concrete, floor screed, roof patching, glazing, plastering and rendering, filling gables, fixing fascia board, painting and decoration of the school. The works were awarded to a contractor at a contract sum of Kshs.2,939,900. However, audit inspection in March, 2023 revealed that the roof of 5 classrooms had not been replaced and were in a leaking state thus casting doubt on how the completion certificate was issued on 27 July, 2022.

In the circumstances, value for Kshs.2,939,900 spent on this project could not be confirmed.

1.5 Expenditure on Ineligible Projects

The transfers to other government units amount of Kshs.94,663,993 includes an amount of Kshs.21,711,120 utilized for drilling eight (8) boreholes in primary and

secondary schools. However, these works do not fall within the functions of the National Government under the Constitution contrary to Section 24(a) of the National Government Constituencies Development Fund Act, 2015. Audit inspection done in March 2023 revealed that the boreholes had been drilled, however, the following unsatisfactory matters were noted:

Schools	Amount Incurred (Kshs.)	Observation
St. Peters Kuna Mixed Secondary School	2,600,000	The fitting of pipes, solar power and tanks had not yet been done. The project is incomplete and not in use.
Kameji Mixed Secondary School	2,600,000	The fitting of pipes, solar power and tanks had not yet been done. The project is incomplete and not in use.
Lwala Kameji Secondary School	2,600,000	The fitting of pipes, solar power and tanks had not yet been done. The project is incomplete and not in use.
Nyangao Mixed Sec. School	2,331,120	The project was complete
St. Albert Miyare Mixed Secondary School	2,000,000	The fitting of pipes, solar power and tanks had not yet been done. The project is incomplete and not in use.
Nyamaroka Primary School	2,600,000	The fitting of pipes, solar power and tanks had not yet been done. The project is incomplete and not in use.
Kamondi Primary School	2,600,000	The fitting of pipes, solar power and tanks had not yet been done. The project is incomplete and not in use.
Banda Primary School	4,380,000	The residents had not been able to draw water from the borehole for the last one month. No explanation was given on why the borehole was not working.
Total	21,711,120	

In the circumstances, the Management was in breach of the law and value for Kshs.21,711,120 spent on these projects could not be confirmed.

2.0 Other Grants and Transfers

The statement of receipts and payments and as disclosed in Note 7 to the financial statements, reflects other grants and transfers amount of Kshs.65,643,718. However, the following audit issues were noted:

2.1 Use of Emergency Funds for Non-Emergency Activities

The other grants and other transfers amount of Kshs.65,643,718 includes expenditure on emergency projects of Kshs.7,247,328 out of which, Kshs.6,960,128 was utilized on projects which could not be categorized as emergency activities as detailed in the table below:

Institution	Activity	Amount (Kshs.)
Orembe Primary School	Being payment for grading and graveling of access road	2,476,368
Siala Technical Institute	Being payment for grading and drainage works	3,463,760
Rongo DCC's Residence	Renovation of residence to make it habitable.	1,020,000
Total		6,960,128

Further, review of the payment schedules, supporting documents, and audit inspection of the projects carried out in March, 2023 revealed that grading access road and drainage works at Siala Technical Institute was awarded to a contractor at a contract sum of Kshs.3,463,760. However, audit inspection of the project in March 2023 revealed that culvert installation worth Kshs.84,000 as per the bill of quantities had not been done, sections of the road had been washed away due to lack of drainage, and the road had not been labelled as a confirmation that it was done by the Constituency Development Fund and not by other government agencies.

In the circumstances, the Management was in breach of the law and value for Kshs.3,463,760 could not be confirmed.

2.2 Incomplete Environment Projects

Included other grants and other transfers amount of Kshs.65,643,718 is expenditure on environment projects of Ksh.2,742,257 out of which, Ksh.685,444 was spent on four (4) schools for installation of tanks. However, audit inspection carried out in March, 2023 revealed that the tanks were installed but no gutters were installed to make them operational.

In the circumstances, value for Kshs,685,444 spent on these projects could not be confirmed.

2.3 Anomalies in the Management of Bursaries

The statement of receipts and payments reflects an amount of Kshs.65,643,718 in respect to other grants and transfers which, as disclosed in Note 7 to the financial statements, includes bursaries to secondary schools and tertiary institutions of Kshs.21,547,619 and Kshs.25,110,737 respectively, totaling to Kshs.46,658,356. However, review of payment vouchers, schedules and records provided for audit revealed the following anomalies:

- i. The schedule of bursary disbursements amounting to Kshs.2,118,500 was not reflecting beneficiary admission numbers.
- ii. A total of one hundred and fifty-seven (157) beneficiaries received bursary allocations more than once and of varied amounts.

In the circumstances, the regularity of the expenditure of Kshs.46,658,356, fairness and equity in bursary disbursements could not be confirmed.

3.0 Failure to Insure Fixed and Movable Assets

Annex 4 of the summary of fixed assets register reflects assets with a historical cost of Kshs.34,038,784. However, review of the records revealed that the fixed assets

were not insured. This was contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which requires that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

10 July, 2023

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

	Note	2021-2022	2020-2021
		Kshs.	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	182,177,758	92,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	6,000	42,000
TOTAL RECEIPTS		182,183,758	92,042,000
PAYMENTS			
Compensation of employees	4	3,920,705	3,268,658
Use of goods and services	5	8,260,072	8,475,264
Transfers to Other Government Units	6	94,663,993	38,919,939
Other grants and transfers	7	65,643,718	34,394,368
Acquisition of Assets	8	420,000	-
Other Payments	9	-	-
TOTAL PAYMENTS		172,908,488	85,058,229
SURPLUS/DEFICIT		9,275,270	6,983,771

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

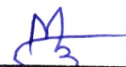
The Constituency financial statements were approved on 30/9/2022 and signed by:



Fund Account Manager
Name: *Enock O Nyasende*



National Sub-County
Accountant
Name: *Jared O Orinda*
ICPAK M/No: 13274



Chairman NG-CDF Committee

Name: *Moureen Auma*


*Rongo Constituency
National Government Constituencies Development Fund (NGCDF)
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VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	22,611,225	13,232,086
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		22,611,225	13,232,086
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		22,611,225	13,232,086
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	305,971	202,102.00
NET FINANCIAL SSETS		22,305,254	13,029,984
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	13,029,984	6,046,213
Prior year adjustments	14	-	
Surplus/Defict for the year		9,275,270	6,983,771
NET FINANCIAL POSITION		22,305,254	13,029,984

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

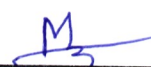
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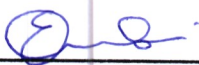
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	182,177,758	92,000,000
Other Receipts	3	6,000	42,000
		182,183,758	92,042,000
Payments for operating activities			
Compensation of Employees	4	3,920,705	3,268,658
Use of goods and services	5	8,260,072	8,475,264
Transfers to Other Government Units	6	94,663,993	38,919,939
Other grants and transfers	7	65,643,718	34,394,368
Other Payments	9	-	-
		172,488,488	85,058,229
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	1,275,163
Increase/(Decrease) in Accounts Payable	16	103,869	120,661
Prior year Adjustments	14	-	-
Net Adjustments		103,869	1,395,824
Net cash flow from operating activities		9,799,139	8,379,595
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(420,000)	-
Net cash flows from Investing Activities		(420,000)	-
Net Increase In Cash And Cash Equivalent		9,379,139	8,379,595
Cash and cash equivalent at BEGINNING of the year	10	13,232,086	4,852,491
Cash and cash equivalent at END of the year		22,611,225	13,232,086

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

The Constituency financial statements were approved on 30/9/ 2022 and signed by:



Fund Account Manager

Name: Enock O Nyasende



National Sub-County
Accountant

Name: Jared O Orinda
ICPAK M/No: 13274



Chairman NG-CDF
Committee

Name: Moureen Auma

*Rongo Constituency
National Government Constituencies Development Fund (NGCDF)
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X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30 JUNE, 2022


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b Kshs	d Kshs.	e=c-d Kshs.	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	137,088,879	13,029,984	195,207,742	195,207,742	-	100.0%
Proceeds from Sale of Assets			0	-	-	0.0%
Other Receipts		6,000	6,000	6,000	-	100.0%
TOTAL RECEIPTS	137,088,879	13,035,984	195,213,742	195,213,742	-	100.0%
PAYMENTS						
Compensation of Employees	3,700,000	619,729	4,319,729	3,920,705	399,024	90.8%
Use of goods and services	8,257,999	2,246	8,260,245	8,260,072	173	100.0%
Transfers to Other Government Units	69,875,118	9,607,586	94,671,583	94,663,993	7,590	100.0%
Other grants and transfers	54,875,762	2,279,423	87,055,185	65,643,718	21,411,467	75.4%
Acquisition of Assets	380,000	40,000	420,000	420,000	-	100.0%
Other Payments	-	-	-	-	-	0.0%
Funds Pending Approval		487,000	487,000		487,000	
TOTAL	137,088,879	13,035,984	194,726,742	172,908,488	22,305,254	88.8%

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Other grants and other transfers registered a utilization per centage of 75.4. This was as a result of late receipt of funds which consequently delayed implementation of projects in that category.

[Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities]	
Description	Amount
Budget utilisation difference totals	22,305,254
Less undisbursed funds receivable from the Board as at 30th June 2022	-
Add Accounts payable	22,305,254
Less Accounts Receivable	305,971
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/22	0
	22,611,225

The Constituency financial statements were approved on 30/9/ 2022 and signed by:



Fund Account Manager
Name: *Enock O Nyasende*



National Sub-County Accountant
Name: *Jared O Orinda*
ICPAK M/No: 13274



Chairman NG-CDF Committee
Name: *Moureen Auma*

Rongo Constituency
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XI. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30 JUNE, 2022

Programme/Sub-programme	Original Budget		Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.1 Compensation of employees	3,700,000		619,729		4,319,729	3,920,705	399,024
1.2 Committee allowances	2,300,000				2,300,000	2,300,000	-
1.3 Use of goods and services	1,845,333		2,245		1,847,578	1,847,406	172
Total	7,845,333		621,974	-	8,467,306	8,068,111	399,196
2.0 Monitoring and evaluation							
2.1 Capacity building	1,500,000		0		1,500,000	1,500,000	0
2.2 Committee allowances	1,500,000				1,500,000	1,500,000	-
2.3 Use of goods and services	1,112,666		1		1,112,667	1,112,666	1
Total	4,112,666		1	-	4,112,667	4,112,666	1
3.0 Emergency							
3.1 Primary Schools							
3.2 Secondary schools							
3.3 Tertiary institutions							
3.4 Security projects							
3.5 Unutilised	7,192,207		933,545		8,125,752	7,247,328	878,424
Total	7,192,207		933,545		8,125,752	7,247,328	878,424
4.0 Bursary and Social Security							
4.1 Secondary Schools	12,000,000		287,979	9,000,000	21,287,979	21,287,619	360

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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			
4.2 Tertiary Institutions	23,000,000	1,057,337	18,500,000	42,557,337	25,370,737	17,186,600
4.3 Social Security	7,200,000		2,400,000	9,600,000	6,254,000	3,346,000
4.4 Special Needs						
Total	42,200,000	1,345,317	29,900,000	73,445,317	52,912,356	20,532,961
5.0 Sports						
5.1	2,741,778	1		2,741,778	2,741,777	1
Total	2,741,778	1		2,741,778	2,741,777	1
6.0 Environment						
		558		558	557	1
Primary Schools	1,713,612			1,713,612	1,713,534	78
Secondary Schools	514,083			514,083	514,083	-
Security Institutions	514,083			514,083	514,083	-
Total	2,741,778	558	-	2,742,335	2,742,257	78
7.0 Primary Schools Projects						
Kameji Prim School		670,642		670,642	663,063	7,579
Marera Prim School			4,380,000.00	4,380,000	4,380,000	-
Komito Pri School			4,380,000.00	4,380,000	4,380,000	-
Banda Pri School			4,380,000.00	4,380,000	4,380,000	-

Rongo Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	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			
	2021/2022					
Apondo Prim School	1,300,000			1,300,000	1,300,000	-
Kameji Prim School	2,547,516			2,547,516	2,547,516	-
Kamgundho Prim School	2,400,000			2,400,000	2,400,000	-
Kanga Prim School	1,300,000			1,300,000	1,300,000	-
Kitere Prim School	500,000			500,000	500,000	-
Kudho Prim School				2,600,000		-
Ndonyo Prim School	2,600,000			2,600,000	2,600,000	-
Nyakwere Prim School	1,000,000			1,000,000	1,000,000	-
Nyamaroka Prim School	2,600,000			2,600,000	2,600,000	-
Nyaoke Prim School	2,600,000			2,600,000	2,600,000	-
Siala Prim School	2,000,000			2,000,000	2,000,000	-
St Dalmas Prim School	600,000			600,000	600,000	-
Toku Prim School	1,000,000			1,000,000	1,000,000	-
Kanyimach Prim School	500,000			500,000	500,000	-
Nyaburu Prim School	182,700			182,700	182,700	-
Uriri Prim School	310,840			310,840	310,839	1
Uriri Prim School	500,000			500,000	500,000	-
Total	21,941,056	670,642	13,140,000	35,751,698	35,744,118	7,580
8.0 Secondary Schools Projects						
Kosodo		2,111,158.83		2,111,159	2,111,152	7

Rongo Constituency

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

Programme/Sub-programme	Original Budget	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			
St Puls Lwala	2021/2022	653,262		653,262	653,261.00	
Rongo M. Sec School		3,841,402		3,841,402	3,841,401	1
Nyangao Mixed Sec School		2,331,121	2,048,879	4,380,000	4,379,999	1
Banda	3,000,000			3,000,000	3,000,000	-
Kamagambo	2,600,000			2,600,000	2,600,000	-
Kameji	2,600,000			2,600,000	2,600,000	-
Kitere	1,000,000			1,000,000	1,000,000	-
Kosodo	2,500,000			2,500,000	2,500,000	-
Lwala Kameji	2,600,000			2,600,000	2,600,000	-
Ngodhe	2,500,000			2,500,000	2,500,000	-
Nyamuga	2,600,000			2,600,000	2,600,000	-
Rakwaro	1,300,000			1,300,000	1,300,000	-
St Albert Miyare	2,600,000			2,600,000	2,600,000	-
St Augustine Arundo	2,500,000			2,500,000	2,500,000	-
St Jonathan	1,000,000			1,000,000	1,000,000	-
Kamondi	2,600,000			2,600,000	2,600,000	-
St Peters Kuna	2,600,000			2,600,000	2,600,000	-
St Peters Of Wanga	2,500,000			2,500,000	2,500,000	-
ST Pauls Lwala	1,200,000			1,200,000	1,200,000	-
Kanyimach	6,000,000			6,000,000	6,000,000	-

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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			
Rongo M. Sec School	6,234,062			6,234,062	6,234,062	-
Total	47,934,062	8,936,944	2,048,879	58,919,885	58,919,875	10
9.0 Tertiary institutions Projects				-		-
Siala Tech Training		1		1		1
Total	-	1	-	1	-	1
10.0 Security Projects		3		3		3
Total	-	3	-	3	-	3
11.0 Acquisition of assets				-		-
	380,000	40000	-	420,000	420,000	-
Total	380,000	40000	-	420,000	420,000	-
12.0 Other payments				-		-

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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			
Total						
13.0 unallocated fund		-				
Unapproved projects						
AIA		487,000		487,000		487,000
FMC savings						
Total		487,000		487,000		487,000
	137,088,879	13,035,984	45,088,879	195,213,742	172,908,488	22,305,254

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Rongo Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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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
Normal Allocation	B128018		12,000,000
	B128260		6,900,000
	B132021		7,000,000
	B132315		6,000,000
	B138984		12,000,000
	B105071		11,600,000
	B126276		7,000,000
	B124654		9,000,000
	B119628		8,500,000
	B140715		12,000,000
	B105269	33,000,000	
	B105550	44,000,000	
	B105916	22,000,000	
	B128683	5,000,000	
	B128994	12,000,000	
	B154189	12,000,000	
	B154413	18,000,000	
	B154471	18,088,879	
	B089083	12,088,879	
	A895021	6,000,000	
TOTAL		182,177,758	92,000,000

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	NIL	NIL

Notes To the Financial Statements (Continued)

3. OTHER RECEIPTS

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents	4,000	-
Receipts Sale of Tender Documents	2,000	42,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify) cdf Deposits		
TOTAL	6,000	42,000

4. COMPENSATION OF EMPLOYEES

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,500,370	2,844,007
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	47,135	135,631
Employer Contributions Compulsory national social security schemes	373,200	289,020
TOTAL	3,920,705	3,268,658

Notes To the Financial Statements (Continued)

5. USE OF GOODS AND SERVICES

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	91,560	18,900
Electricity	-	4,627
Water & sewerage charges	-	10,035
Office rent	-	-
Communication, supplies and services	2,760	0
Domestic travel and subsistence	576,000	581,700
Printing, advertising and information supplies & services	-	148,490
Rentals of produced assets		-
Training expenses	1,500,000	1,500,000
Hospitality supplies and services	58,325	0
Other committee expenses	432,729	1,500,000
Committee allowance	3,800,000	2,295,200
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	824,000	2,209,757
Fuel , oil & lubricants	142,924	-
Other operating expenses	503,688	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	328,086	206,555
Routine maintenance- other assets	-	-
TOTAL	8,260,072	8,475,264

Rongo Constituency

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Notes To The Financial Statements (Continued)

6. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	39,344,118	10,637,075
Transfers to Secondary Schools	55,319,875	26,684,750
Transfers to Tertiary Institutions	-	1,598,114
TOTAL	94,663,993	38,919,939

7. OTHER GRANTS AND OTHER TRANSFERS

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	21,547,619	2,936,851
Bursary -Tertiary (see attached list)	25,110,737	5,388,449
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	6,254,000	2,400,000
Security Projects (see attached list)	-	9,309,220
Sports Projects (see attached list)	2,741,777	2,750,827
Environment Projects (see attached list)	2,742,257	2,750,000
Emergency Projects (see attached list)	7,247,328	8,859,021
TOTAL	65,643,718	34,394,368

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	100,000	-
Purchase of computers ,printers and other IT equipments	320,000	-
Acquisition of Intangible Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-

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TOTAL	420,000	0
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Notes To the Financial Statements (Continued)

9. OTHER PAYMENTS

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

10: CASH BOOK BANK BALANCE

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Kenya Commercial Bank, Rongo Branch. Rongo NG-CDF	A/Cno.1121172210	22,611,225	13,232,086
		-	-
		-	-
TOTAL		22,611,225	13,232,086

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
Enock O. Nyasende	2021/22	3,136,510	3,136,510	0
Total		3,136,510	3,136,510	0

[Include an annex if the list is longer than 1 page.]

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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	NIL	NIL

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	202,102	81,441
Gratuity held during the year (B)	103,869	120,661
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	305,971	202,102

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	13,232,086	4,852,49
Cash in hand		
Imprest		1,275,16
TOTAL	13,232,086	6,127,65

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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	-	-	-

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPRESTS

	2021-2022	2020- 2021
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	1,275,163
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	1,275,163
Closing accounts receivable as at 30th June 2022 (D=A+B-C)	-	
Net changes in accounts receivables A-D		

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as a t 1st July 2021 (A)	202,102	81,441
Deposits and Retention held during the year (B)	103,869	120,661
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	305,971	202,102
Net changes in accounts payables A-D	103,689	

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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 FUND (SEE ANNEX 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	399,024	619,729
Use of goods and services	173	2,246
Amounts due to other Government entities (see attached list)	7,590	23,996,466
Amounts due to other grants and other transfers (see attached list)	21,411,467	32,979,423
Acquisition of assets		40,000
Others (<i>specify</i>) Sale of Tender Documents	487,000	481,000
Funds pending approval		
TOTAL	22,305,254	58,118,864

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17.4: PMC ACCOUNT BALANCES (SEE ANNEX 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	10,872,208	15,060,255
Total	10,872,208	15,060,255

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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
Construction of buildings	a	b	c	d = a - c	
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		399,024	619,729	
Use of goods & services		174	2,246	
Amounts due to other Government entities				
Primary Schools:				
1.Kameji Primary School	Rehabilitation of 12 No. Classrooms	7,579		
2.Nyaburu Primary School	Construction of 2No. Classrooms	1		
Secondary Schools				
1.Kosodo Mixed Secondary School	Completion of Storey Tuition Block	7		
2.Nyangau Mixed Sec School	Drilling and equipping of borehole	1		
3.St Pauls Lwala Mixed Sec School	Completion of Storey Tuition Block	1		
4.Rongo Mixed Day Sec School	Completion of Storey Tuition Block	1		
Tertiary Institutions				
1.Siala TTI	Completion of Construction of Dining Hall	1		
Sub-Total		7,590	23,996,466	
Amounts due to other grants and other transfers				
Emergency	Unallocated funds to meet unforeseen occurrences	878,424		
NHIF	NHIF Social Security	3,346,000		
Bursary-Tertiary	To pay bursary to tertiary students	17,186,600		

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Bursary-Secondary	To pay bursary to secondary school students	360		
Security:Chiefs Office Central Kamagambo	Completion of Chiefs Office	3		
Sports	Conduct Sports tournament	1		
Environment	Supply tanks to public institutions	78		
Sub-Total		21,411,467	32,979,423	
Acquisition of assets			40,000	
Others (specify) Sale of Tender Documents		487,000	481,000	
Sub-Total				
Funds pending approval				
Grand Total		22,305,254	58,118,864	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land	N/A			N/A
Buildings and structures	19,473,941	-	-	19,473,941
Transport equipment	11,098,843	-	-	11,098,843
Office equipment, furniture and fittings	2,480,000	100,000	-	2,580,000
ICT Equipment, Software and Other ICT Assets	566,000	320,000	-	886,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	33,618,784	420,000	-	34,038,784

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

PMC	Bank	Account number	Date Opened	Bank Balance 2021/2022	Bank Balance 2020/21
Kameji Primary School	KCB	1115723553	4/9/2013	88,689	876,380
Uriri Primary School	KCB	1124112774	1/6/2017	110	385,748
Nyaburu Primary School	KCB	1168077699	14/7/2018	24,770	1,234,118
Siala Primary School	KCB	1269446819	10/5/2020	79,798	7,008
Kanyimach Primary School	KCB	1134866887	17/4/2017	498	1,009,607
Kamngudho Primary School	KCB	1259244075	14/7/2019	36,326	
Kitere Primary School	KCB	1256597554	1/8/2020	26,718	
Kanga Primary School	KCB	1132328462	21/7/2015	67,243	
Ndonyo Primary School	KCB	1137031921	16/7/2019	54,588	
Nyaoke Primary School	KCB	1130540766	18/9/2020	107,837	
Toku Primary School	KCB	1132344468	21/2/2017	27,519	
Apondo Primary School	KCB	1132318580	26/3/2019	2,362	
St.Dalmas Primary School	KCB	1123902836	22/9/2022	51,459	
Nyakwere Primary School	KCB	1148848665	23/7/2017	553,224	
Nyamaroka Primary School	KCB	1167486463	12/9/2020	549,219	
Kudho Primary School	KCB	1119702097	15/6/2018	549,309	
St.Jonathan Primary School	KCB	1272131556	1/7/2019	102,421	
Kamondi Primary School	KCB	1143717082	17/5/2019	2,600,715	
Kosodo Mixed Secondary School	KCB	1253282323	26/7/2021	3,213	1,646,466

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PMC	Bank	Account number	Date Opened	Bank Balance 2021/2022	Bank Balance 2020/21
Nyamuga Mixed Secondary School	KCB	1254454497	28/2/2017	576,326	2,640
St Pauls Lwala Mixed Secondary School	KCB	1272338789	19/6/2019	155,212	2,411,664
St Augustine Arundo Mixed Sec School	KCB	1124015787	1/10/2018	546	8,270
Rongo Mixed Day Secondary School	KCB	1257103679	17/7/2016	710	667,779
Banda Mixed Secondary School	KCB	1170052029	4/11/2017	154,048	7,300
Kitere Mixed Secondary School	KCB	1272988171	1/7/2021	51,683	280,710
Siala TTI	KCB	1203829221	1/4/2018	1,086	1,289,476
Kamagambo Police Station(CIPU)	KCB	1272907864	21/3/2015	19,676	2,921
Kanyimach Mixed Secondary School	KCB	1297616545	28/2/2021	3,050,824	
Rakwaro Mixed Secondary School	KCB	1172268568	21/4/2019	69,425	
Ngodhe Mixed Secondary School	KCB	1254260129	12/4/2019	4,258	
Kamagambo Secondary School	KCB	1294014110	1/7/2020	434,432	
St.Albert Miyare Mixed Ssecondary School	KCB	1252642822	18/9/2016	546,842	
Lwala Kameji Secondary School	KCB	1272338789	10/6/2020	155,212	
St.Peters Kuna Mixed Secondary School	KCB	1232630241	1/7/2016	575,176	
Kameji Mixed Secondary School	KCB	1292219807	1/2/2017	547,109	
Total				10,872,208	15,060,255

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Compensation of employees</p> <p>Note 4 to the financial statements reflects a figure of Kshs.3,268,658 as compensation of employees out of which an amount of Kshs. 2,844,007 relates to basic salaries. However, included in the ledger balance of Kshs 2,844,007 is an amount of Kshs 707,833 paid to the committee members as CDF committee allowances which does not constitute compensation of employees.</p> <p>As a result, the accuracy and completeness of the compensation of employee figure of Kshs.3,268,658 as at 30 June 2021 could not be confirmed.</p>	<p>According to the NGCDF Act 2015 and approved budget (Codelist) for financial year 2020/2021, both compensation of employees and committee expenses fall under the broad category of administration vote which is 3% of the total allocation for the Constituency. The resultant deficit in the committee allowances was met by the excess allocation to the compensation of employees sub vote. Management will in future endeavor to make more accurate projections during the budgeting process to avoid scenarios like this one.</p>	Resolved	Resolved
3	<p>Note 7 of the financial statements include other grants and other payments figure of Kshs. 34,394,368 of which Kshs. 8,325,300 was disbursed as</p>	<p>It is true that some acknowledgement letters and receipts were not received from beneficiary institutions but management is working towards</p>	Resolved	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>bursaries to various schools and other learning institutions. However, documents supporting disbursements and acknowledgement receipt for an amount of Kshs. 3,986,949 by the respective institutions were not availed for audit. Moreover, details of the beneficiaries were not indicated as one cheque was drawn to the institution.</p> <p>Consequently, the accuracy and propriety of the bursary funds disbursed to various institutions amounting to Kshs. 3,986,949 could not be ascertained.</p>	<p>obtaining all acknowledgements and receipts for bursaries disbursed. However some of the acknowledgements and receipts obtained from the institutions are hereby attached for your review.</p>	<p>Resolved</p>	

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 Enoch Nyasende
 Fund Account Manager.