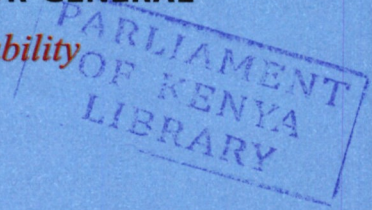


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

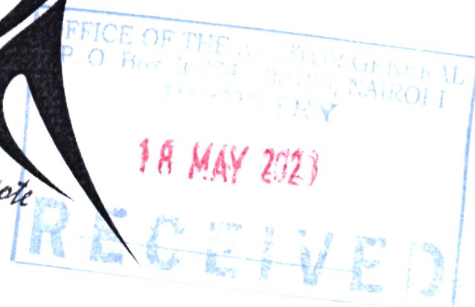
THE NATIONAL ASSEMBLY	
DATE:	08 AUG 2023
	Tuesday
OF	Hon Owen Sanyal, MP
BY:	Deputy leader majority
CLERK AT THE TABLE:	Anne Shubilo

THE AUDITOR-GENERAL

ON

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

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



VIHIGA 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;

- 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 Vihiga 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)

Vihiga *Constituency*
National Government Constituencies Development Fund (NGCDF)
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(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	Joe Godwin Oduor
2.	Sub-County Accountant	Collins Omondi Nundu
3.	Chairman NGCDFC	James Mundia
4.	Member NGCDFC	Claris Anaye

(d) Fiduciary Oversight Arrangements

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

Vihiga ACC's Office Grounds,
P.O. Box 198-50310,
Majengo-Luanda Highway
Vihiga, KENYA

(f) Vihiga Constituency NGCDF Contacts

Telephone: (254) 725371259
E-mail: cdfvihiga@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Vihiga Constituency NGCDF Bankers

Vihiga CDF Cooperative Bank of Kenya

A/c No. 01141471496600

P.O. Box 816-50300,

Maragoli, 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

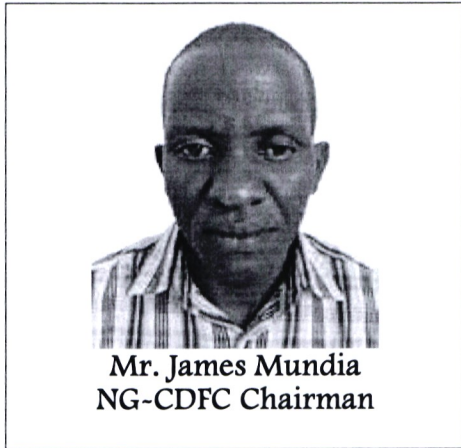
Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairman’s Report



The NG-CDF Vihiga is grateful for the financial year that has been. The committee had a budget of Kes. 137,088,879 to finance National Government projects in addition to other statutory. The NG-CDFC Vihiga final budget on actual comparable basis is as per the chart below:-

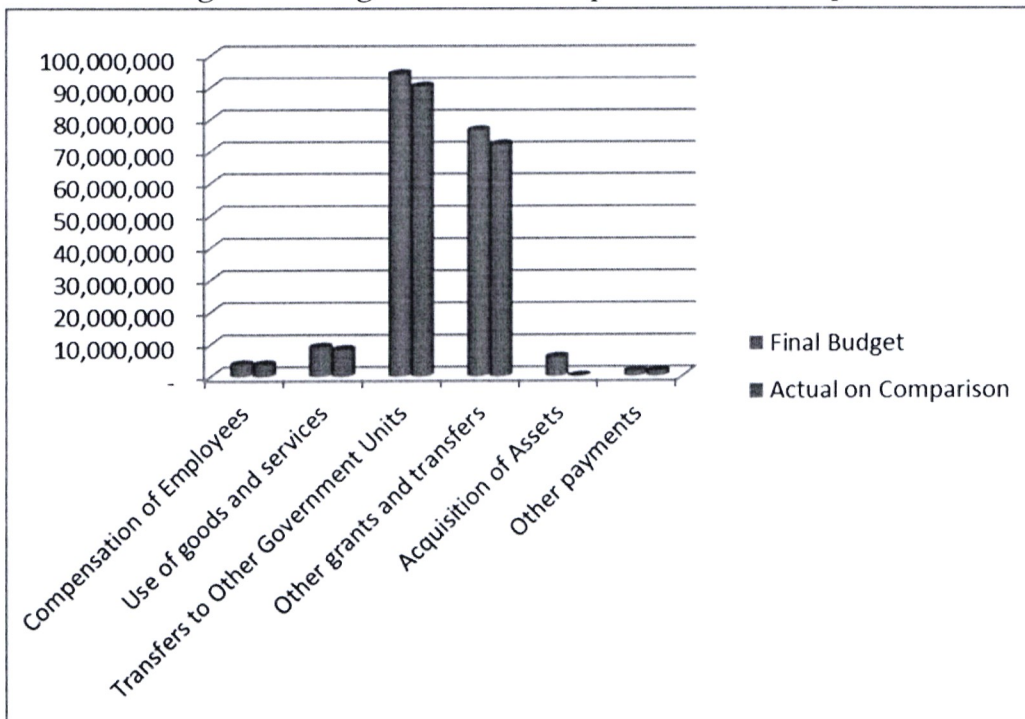


Figure 1: Final budget on actual comparable basis

The NG-CDF has improved education and security infrastructure in Vihiga besides bursaries allocation to needy and deserving students. This is evidenced by comparison on bursary allocation and disbursed of the last financial year.

Vihiga Constituency

National Government Constituencies Development Fund (NGCDF)

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However, emerging issues like political, economic, social, legal and global challenges influence the implementation of NG-CDF projects. Other issue include late disbursement of funds, re-allocation and late approval of project. As at 30th June, 2022, Kshs.12,088,879 meant for financial year 2020/2021 had not been disbursed to the Constituency. The committee requests the Board to kindly disburse the remaining amount early to enable Vihiga constituents realize the much needed development. Within this Financial year Vihiga NGCDFC had twenty three(23) meetings including sub-committee meetings.



.....
Sign

CHAIRMAN NGCDF COMMITTEE

III. Statement Of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

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

a) Education

The NG-CDF Vihiga takes education and matters education very serious components to achieve development. It has in the past improved existing infrastructure and put in both secondary and primary school. This has in turn improved performance among learners besides increased enrolment as learning environment in now conducive. To ensure 100% transition from one level of learning to another, Vihiga NG-CDFC has come with a bursary awarding system that's all inclusive. Bright but vulnerable students are identified through our bursary committee and fully sponsored.

b) Health care

It's said that a 'Healthy Nation is a Wealthy Nation, and as so Vihiga is not relenting on matters health. Our bursary committee working closely with area Chief's and other relevant bodies, has identified elderly persons within the Constituency and had them registered to benefit in our social health scheme that intends to pay for medical cover (NHIF) through our soon to be implemented social security fund.

c) Environment, Water and Sanitation

The major environmental activity of Vihiga NG-CDF has been tree planting. This has been done over a period to increase forest cover, attract rain, provide habitat for other living things living in forests and of course to reduce pollution. We have started incorporating other activities like construction of toilets and purchase and installation of water tanks in environmental activities. These have gone a long way in keeping our environment clean and healthy besides providing clean water for drinking and domestic use.

d) Security

Development is achievable if its secure and put safe. The Vihiga NG-CDFC has improved infrastructure and put in place new ones at Chiefs' offices / camps, AP camps and police stations within the Constituency. NG-CDF is always ready to equip and facilitate the security agencies' activities if called upon.

e) Sports

Sports and sporting activities are incorporated in our development agenda because through sporting activities, youth realize their talents and able to display them for personal and communal gain. Youth groups, existing and new sports clubs are identified through such activities and empowered therefore reducing dependency. Sports keep the youth busy thus have no time for social evils seen to be on the rise.

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 	In FY 2021/22 -we increased number of classrooms by 27, dormitories by 2, - About 3,000 bursary beneficiaries at all levels benefitted
Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office To have modern police stations and posts at the Constituency	Access to quality services Reduced crime rate	<ul style="list-style-type: none"> - number of usable physical infrastructure build at the locational levels - Number of crimes reported 	4 Chiefs' offices renovated as budgeted for 2 AP camp facilities renovated as planned
Environment	To have health and clean environment	Access to good health and sanitation	<ul style="list-style-type: none"> - Number of Indigenous trees planted - Number of sanitary facilities constructed 	12 plastic tanks (10,000 ltrs) distributed to public institutions as planned 20 pit latrines constructed in public institutions as planned

Vihiga *Constituency*

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Constituency Sector	Objective	Outcome	Indicator	Performance
Sports	Harnessing youth and women talent	Increased youth and women talents	- Numbers of tournaments held	10 new youth groups identified and empowered
Emergency	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Vihiga NGCDF committee allocated Kshs. 7,192,206.90, million under the emergency kitty to cater for unforeseen occurrences

IV. Environmental and Sustainability Reporting

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

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

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

Vihiga 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-

Vihiga 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.

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



.....
Name: Joe Godwin Oduor

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-Vihiga 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-Vihiga 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- Vihiga 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.

The Accounting Officer in charge of the NGCDF Vihiga Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing

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

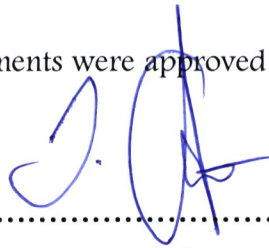
covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in 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- Vihiga Constituency financial statements were approved and signed by the Accounting Officer on 21st SEPTEMBER 2022.



.....
Name: James Mundia
Chairman – NGCDF Committee



.....
Name: Joe Godwin Oduor
Finance Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - VIHIGA 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 the National Government Constituencies Development Fund - Vihiga Constituency set out on pages 1 to 44, 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

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

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 - Vihiga 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 Bursary Disbursements

The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects other grants and transfers of Kshs.72,224,133 which includes bursaries of Kshs.39,700,242, Kshs.13,819,100 and Kshs.965,000 to various secondary schools, tertiary institutions and special schools respectively all totalling to Kshs.54,484,342. Review of the records provided for audit revealed that details of the beneficiaries including names of the learning institution, bank details of the learning institution, bursary amount, full names of the student, admission number, type of institution and county in which the learning Institution is located were not provided for audit review.

In the circumstances, the propriety and accountability of the expenditure of Kshs.54,484,342 could not be confirmed.

2. Unsupported Emergency Projects

The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects other grants and transfers of Kshs.72,224,133 which includes an expenditure on emergency projects amounting Kshs.6,750,200. However, there was no evidence provided to confirm that the emergency relates to urgent, unforeseen need for expenditure that could not have been delayed until the next financial year without harming the public interest of the constituents. In addition, there was no evidence provided to confirm that the use of the emergency reserves was reported to the Board within thirty (30) days of occurrence.

In the circumstances, the propriety of the expenditure of Kshs.6,750,200 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 - Vihiga 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 under the year under review.

Other Matter

Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. The report on progress on follow-up of the auditor's recommendations in the financial statements for the year under review indicates that some of the issues had been resolved and work to resolve the remainder was ongoing as at 30 June, 2022 and the actual status of all the issues will be confirmed after they are discussed by the Oversight Committee.

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. Variation of the Contract Sum

(i) Kidinye Secondary School-Construction of 2 storeyed 6No. Classrooms/Tuition Block & 2No. Office Block

The tender was awarded on 4 December, 2019 at a contract sum Kshs.9,723,131.60. The project was revised upwards to Kshs.14,371,080.20, which is 32% of the original contract sum.

(ii) Vihiga KMTTC-Proposed Kenya Medical Training College Campus

The tender was awarded on 19 May, 2021 at contract sum of Kshs.19,354,175. The contract sum was revised upwards to Kshs.35,000,000 as per NG-CDF project proposal minutes dated 25 July, 2022 or 44.7% of the original contract sum.

(iii) Chanzeywe Technical & Vocational Centre -Construction of Concrete Posts & Chain-Link Fence, Gate & Sentry

The contract sum as per the tender was Kshs.1,502,200. However, payment voucher No. 126 indicates that the contractor was paid a total of Kshs.1,547,750 resulting to a variance of Kshs.45,550 which was not explained.

This was contrary to Section 139. (1) (a) (4) (c) of the Public Procurement and Asset Disposal Act, 2015 states that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if (a) the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity and any variation of a contract shall only be considered after twelve months from the date of signing the contract and shall only be considered if the quantity variation of works does not exceed twenty per cent of the original contract quantity.

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

2. Delayed Implementation of Projects and Sub-standard Workmanship

The statement of receipts and payments reflects transfers to other government units amount of Kshs.90,293,760 during the year under review. Included in the amount is Kshs.50,946,010 and Kshs.26,547,750 in respect of transfers to secondary schools and tertiary institutions. Physical inspection of the projects in the month of March, 2023 revealed that most of the projects are yet to be completed. Sub-standard workmanship was also noted in some of the projects as detailed below:

(i) Chango Secondary School-Construction of One Storey 150 Student Capacity Dormitory Phase1

The project commenced in the 2019/2020 financial year with original contract sum of Kshs.13,518,070. The amount paid as at 30 June, 2022 was Kshs.8,000,000. Summary report on ongoing projects and payments made to date revealed slow progress in the implementation since commencement in 2019/2020 financial year.

(ii) Ikumba Secondary School- Construction of 2 Storey Tuition Block Comprising of 12 Classrooms and 3 Offices

The project commenced in the 2019/2020 financial year with original contract sum of Kshs.14,700,000. The amount paid as at 30 June, 2022 was Kshs.9,300,000. Physical inspection of the project in March, 2023 revealed that the floors and walls were already cracked possibly due to poor workmanship. The contractor began roofing of the building using timber but it stalled hence all the timber is destroyed due to heavy rains and the works need to be redone. One of the pillars was poorly constructed and had already started to wear and tear posing risk even before the building is completed.

(iii) Kidinye Secondary School-Construction of 2 Store Building Comprising of 6 Classrooms and 3 Offices

The project commenced in the 2018/2019 financial year with original contract sum of Kshs.9,723,131. The amount was revised upwards to Kshs.14,371,080 and the amount paid as at 30 June, 2022 was Kshs.13,500,000. Physical inspection of the project in March, 2023 revealed that the floors and walls were already cracked possibly due to poor workmanship even before the project was completed and handed over officially.

(iv) Madira Secondary School - Construction of 150 Student Capacity Dormitory

The project commenced in the 2019/2020 financial year with contract sum of Kshs.31,393,520. The amount paid as at 30 June, 2022 was Kshs.10,000,000. Physical inspection of the project in March, 2023 revealed that the project was abandoned, stalled and no activities were noted while the walls had already started to wear and tear.

(v) Masana Secondary School-Construction of 2 Storey Building Comprising of 8 Classrooms, 3 Offices and One Exam Hall

The project commenced in 2018/2019 financial year with original contract sum of Kshs.18,197,268. The amount paid as at 30 June, 2022 was Kshs.10,300,000. Summary report on ongoing projects and payments made to date revealed slow progress in the implementation of the project since commencement in 2018/2019 financial year.

(vi) Construction of Vihiga KMTC College

The project commenced in the 2020/2021 financial year with original contract sum of Kshs.19,354,175. The amount was revised upwards to Kshs.35,000,000 with payments of Kshs.35,000,000 to date. Physical verification in March, 2023 revealed that there were no activities on the site. Further, only the ground floor is complete despite full varied contract sum of Kshs.35,000,000 fully paid. Further, the project lacks comprehensive routine supervision and monitoring and evaluation reports.

(vii) Construction of 2 Storey Classrooms at Vigna Secondary School

The project commenced in the 2018/2019 financial year with original contract sum of Kshs.14,400,000. The amount paid as at 30 June, 2022 was Kshs.6,939,999. Summary report on ongoing projects and payments made to date revealed slow progress in the implementation of the project since commencement in 2018/2019 financial year.

In the circumstances, the delay in completion of the projects has negatively impacted service delivery to the public.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 July, 2023

Vihiga 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

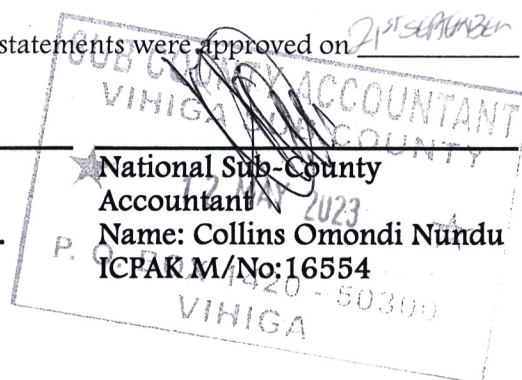
	Note	2021-2022	2020-2021
Kshs			
RECEIPTS			
Transfers from NGCDF Board	1	170,088,879	163,848,542
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	1,000,000	4,000
TOTAL RECEIPTS		171,088,879	163,852,542
PAYMENTS			
Compensation of employees	4	3,723,727	4,725,578
Use of goods and services	5	8,374,407	7,503,400
Transfers to Other Government Units	6	90,293,760	76,724,500
Other grants and transfers	7	72,224,133	70,991,000
Acquisition of Assets	8	-	-
Other Payments	9	1,500,000	-
TOTAL PAYMENTS		176,116,026	159,944,478
SURPLUS/DEFICIT		(5,027,147)	3,908,064

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 21st SEPTEMBER 2022 and signed by:


Fund Account Manager

Name: Joe Godwin Oduor.




Chairman NG-CDF Committee

Name: James Mundia

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

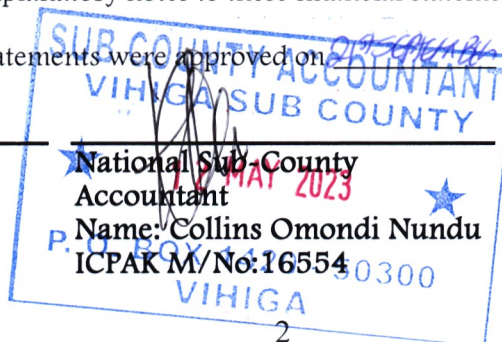
	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,091,226	8,118,373
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,091,226	8,118,373
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,091,226	8,118,373
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		3,091,226	8,118,373
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	8,118,373	4,210,310
Prior year adjustments	14	-	-
Surplus/Defict for the year		(5,027,147)	3,908,064
NET FINANCIAL POSITION		3,091,226	8,118,374
		-	-

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 20th June 2022 and signed by:

Fund Account Manager

Name: Joe Godwin Oduor.



Chairman NG-CDF Committee

Name: James Mundia

Vihiga 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

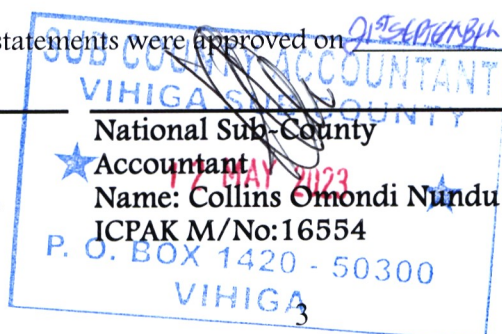
		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	170,088,879	163,848,542
Other Receipts	3	1,000,000	4,000
		171,088,879	163,852,542
Payments for operating activities			
Compensation of Employees	4	3,723,727	4,725,578
Use of goods and services	5	8,374,407	7,503,400
Transfers to Other Government Units	6	90,293,760	76,724,500
Other grants and transfers	7	72,224,133	70,991,000
Other Payments	9	1,500,000	-
		176,116,026	159,944,478
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(5,027,147)	3,908,064
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		(5,027,147)	3,908,064
Cash and cash equivalent at BEGINNING of the year	10	8,118,373	4,210,310
Cash and cash equivalent at END of the year		3,091,226	8,118,373
		-	-

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 17 MAY 2022 and signed by:

Fund Account Manager

Name: Joe Godwin Oduor.



Chairman NG-CDF Committee

Name: James Mundia

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

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

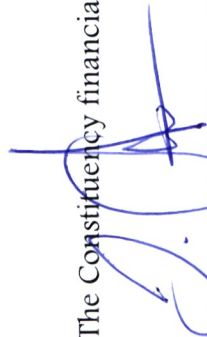
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,088,879	45,088,879	190,296,132	178,207,252	12,088,879	94%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts (Unutilized funds from Vihiga Pri. PMC)	-	-	1,000,000	1,000,000	-	
TOTAL RECEIPTS	137,088,879	45,088,879	191,296,132	179,207,252	12,088,879	94%
PAYMENTS						
Compensation of Employees	3,742,063	-	3,754,850	3,723,727	31,123	99%
Use of goods and services	8,595,936	77635	9,107,745	8,374,407	733,339	92%
Transfers to Other Government Units	66,241,760	26600000	94,293,760	90,293,760	4,000,000	96%
Other grants and transfers	58,509,120	12411245	76,639,776	72,224,133	4,415,643	94%
Acquisition of Assets	-	6000000	6,000,000	-	6,000,000	0%
Other Payments	-	0	1,500,000	1,500,000	-	
TOTAL	137,088,879	45,088,879	191,296,132	176,116,026	15,180,106	92%

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

- ❖ The adjustment column was the opening cashbook balance of Kshs. 8,118,373 as at 1st July 2021 and the amount of Kshs. 45,088,879.31 owing the Constituency as at 30th June 2021.
- ❖ The Budget utilization column of Kshs. 15,180,106 is the Closing Cashbook balance of Kshs. 3,091,226 and amount owing the Constituency as at 30th June 2022 of Kshs. 12,088,879
- ❖ The under-utilization was resulted as from the delay in disbursement of funds to the Constituency.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	15,180,106
Less undisbursed funds receivable from the Board as at 30 th June 2022	12,088,879
Add Accounts payable	3,091,226
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	3,091,226

The Constituency financial statements were approved on 20th DECEMBER 2022 and signed by:

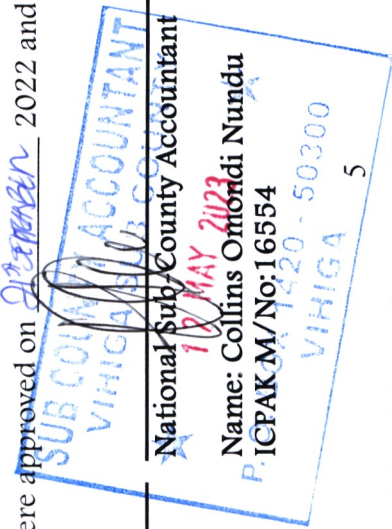

Fund Account Manager

Name: Joe Godwin Oduor.



Chairman NG-CDF Committee

Name: James Mundia



Vihiga 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(a) 2021/2022	Adjustments(b)		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d) Kshs	% of Utilisation n(f=d/c %)
		Opening Balance (C/B) and AIA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,742,063	12,787		3,754,850	3,723,727	31,123	99%
1.2 Committee allowances	1,483,269	16,365	47,635	1,547,269	1,499,000	48,269	97%
1.3 Use of goods and services	3,000,000	417,810	-	3,417,810	2,891,407	526,403	85%
Total	8,225,333	446,962	47,635	8,719,930	8,114,134	605,796	93%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,691,634	-	2,366	1,694,000	1,694,000	-	100%
2.2 Committee allowances	900,000	-	27,634	927,635	850,000	77,635	92%
2.3 Use of goods and services	1,521,032	-	-	1,521,032	1,440,000	81,032	95%
Total	4,112,666	-	30,000	4,142,666	3,984,000	158,666	96%
3.0 Emergency							
3.1 Primary Schools	7,192,207	118,200	-	7,310,407	6,750,200	560,207	92%
3.2 Secondary schools							
3.3 Tertiary institutions							
3.4 Security projects							

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

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments(b)		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)	% of Utilisatio n(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
3.5 Unutilised				-		-	
Total	7,192,207	118,200	-	7,310,407	6,750,200	560,207	92%
4.0 Bursary and Social Security							
4.1 Secondary Schools	28,000,000	3,512,332	8,214,709	39,727,041	39,700,242.00	26,799.37	100%
4.2 Tertiary Institutions	10,952,250		3,190,500	14,142,750	13,819,100	323,650	98%
4.3 Social Security	-	-		-		-	
4.4 Special Needs	981,108			981,108	965,000	16,108	98%
Total	39,933,358	2,512,332	12,405,209	54,850,899	54,484,342	366,557	99%
5.0 Sports							
5.1	2,741,778	2,088,879	-	4,830,657	2,741,778	2,088,879	57%
Total	2,741,778	2,088,879	-	4,830,657	2,741,778	2,088,879	57%
6.0 Environment							
Gilwasi Primary School	210,906	-	-	210,906	210,906	-	100%
Ingidi Primary School	210,906	-	-	210,906	210,906	-	100%
Inyanza Primary School	210,906			210,906	210,906	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation $\frac{d}{c} \times 100$ (%)
		Opening Balance (C/BQ and AIA)	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
Kisenya Primary School	210,906			210,906	210,906	-	100%
Kitulu Primary School	210,906			210,906	210,906	-	100%
KMTC Vihiga	210,906			210,906	210,906	-	100%
Lusavisavi Police Station	210,906			210,906	210,906	-	100%
Lwangele Primary School	210,906			210,906	210,906	-	100%
Mahanga Primary School	210,906			210,906	210,906	-	100%
Malindi Primary School	210,906			210,906	210,906	-	100%
Matagaro Primary School	210,906			210,906	210,906	-	100%
Matsigulu Primary School	210,906			210,906	210,906	-	100%
Vihiga Primary School	210,906			210,906	210,906.00	-	100%
Total	2,741,778	-	-	2,741,778.00	2,741,778.00	-	100%
7.0 Primary Schools Projects							
Chanzeywe Primary School	1,200,000			1,200,000.00	1,200,000	-	100%
Idavaga Primary School	600,000			600,000.00	600,000	-	100%
Kigadahi Primary School	1,800,000			1,800,000.00	1,800,000	-	100%
Lusavisavi Primary School	1,200,000			1,200,000.00	1,200,000	-	100%
Lwangele Primary School	1,200,000			1,200,000.00	1,200,000	-	100%

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

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments(b)		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e) = c-d	% of Utilisation n(f=d/c) %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Madzugi Primary School	1,200,000	-	-	1,200,000.00	1,200,000	-	100%
Matagaro Primary School	-	-	2,000,000	2,000,000.00	2,000,000	-	100%
Mbihi Primary School	-	-	1,200,000	1,200,000.00	1,200,000	-	100%
Lyamagale Primary School	-	-	1,200,000	1,200,000	1,200,000	-	100%
Lyamidi Primary School	-	-	1,200,000	1,200,000	1,200,000	-	100%
Total	7,200,000	-	5,600,000	12,800,000	12,800,000	-	100%
8.0 Secondary Schools Projects							
Chambiti Secondary School	1,554,010	-	-	1,554,010	1,554,010	-	100%
Chango Secondary School	2,000,000	-	3,000,000	5,000,000	5,000,000	-	100%
Chavavo Secondary School	2,500,000	-	2,000,000	4,500,000	2,500,000	2,000,000	56%
Ikumba Secondary School	4,000,000	-	-	4,000,000	4,000,000	-	100%
Kegoye Secondary School	7,500,000	-	-	7,500,000	7,500,000	-	100%
Kidinye Secondary School	4,500,000	-	-	4,500,000	4,500,000	-	100%
Kitumba Secondary School	4,500,000	-	3,000,000	7,500,000	7,500,000	-	100%
Vigina Secondary School	2,940,000	-	2,000,000	4,940,000	4,940,000	-	100%
Madira Girls Sec. School	5,000,000	-	2,000,000	7,000,000	5,000,000	2,000,000	71%
Masana Secondary School	3,000,000	-	-	3,000,000	3,000,000	-	100%
Mudavadi Girls High School Madzuu	-	1,452,000	4,000,000.00	5,452,000	5,452,000	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f = d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Total	37,494,010	1,452,000	16,000,000	54,946,010	50,946,010	4,000,000	93%
9.0 Tertiary institutions Projects							
Chanzeuwe Technical Training Inst.	1,547,750	-	-	1,547,750	1,547,750	-	100%
Kenya Medical Training College - Vihiga	20,000,000	-	5,000,000	25,000,000	25,000,000	-	100%
Total	21,547,750	-	5,000,000	26,547,750	26,547,750	-	100%
10.0 Security Projects							
Busamo Chiefs Office	300,000	-	-	300,000	-	300,000	-
Kegoye Administration Police Camp	300,000	-	-	300,000	-	300,000	-
Lugaga Chiefs Office	300,000	-	-	300,000	-	300,000	-
Lisavisavi Police Station	2,500,000	-	-	2,500,000	2,500,000	-	100%
Lyavora Administration Police Camp	300,000	-	-	300,000	-	300,000	-
Mbale Police Station	1,000,000	-	-	1,000,000	1,000,000	-	100%
Office of the Deputy DCC	200,000	-	-	200,000	-	200,000	-
Vihiga Police Station	1,000,000	-	-	1,000,000	1,000,000	-	100%
Vihiga Criminal Investigation Department offices	-	-	1,006,035	1,006,035	1,006,035	-	100%
Total	5,900,000	-	1,006,035	6,906,035	5,506,035	1,400,000	80%

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Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments(b)		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)	% of Utilisatio n(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
11.0 Acquisition of assets				-		-	
NG-CDF Vehicle	-	-	6,000,000	6,000,000	-	6,000,000	
Total	-	-	6,000,000	6,000,000	-	6,000,000	
12.0 Other payments				-		-	
Strategic Plan	-	1,500,000	-	1,500,000	1,500,000	-	100%
Total		1,500,000	-	1,500,000	1,500,000	-	100%
13.0 unallocated fund				-		-	
Unapproved projects			-	-	-	-	
AIA			-	-	-	-	
PMC savings			-	-	-	-	
Total	137,088,879	9,118,373	45,088,879	191,296,132	176,116,026	15,180,106	92%

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-Vihiga 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 recognizes all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

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

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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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Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020 - 2021
		Kshs	Kshs
	B105320	33,000,000	-
Normal Allocation	B105704	34,000,000	-
	B105721	16,000,000	-
	B128730	17,000,000	-
	B163892	14,000,000	-
	B154236	15,000,000	-
	B154453	18,000,000	-
	B155508	23,088,879	-
	AIE NO. B104513		15,000,000
	AIE NO. B104688		19,000,000
	AIE NO. A823741		28,167,724
	AIE NO. B124737		8,000,000
	AIE NO. B124815		2,480,818
	AIE NO. B124879		4,200,000
	AIE NO. B119676		8,500,000
	AIE NO. B119715		12,000,000
	AIE NO. B128308		6,900,000
	AIE NO. B132069		7,000,000
	AIE NO. B132362		6,000,000
	AIE NO. B126031		12,000,000
	AIE NO. B126323		7,000,000
	AIE NO. B105118		12,600,000
	AIE NO. B105166		3,000,000
	AIE NO. B140762		12,000,000
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		170,088,879	163,848,542

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2. Proceeds From Sale of Assets

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

Notes to the Financial Statements (Continued)

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts Sale of Tender Documents	-	4,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	1,000,000	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	1,000,000	4,000

4. Compensation Of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,528,167	3,100,370
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	1,536,468
Employer Contributions Compulsory national social security schemes	195,560	88,740
TOTAL	3,723,727	4,725,578

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Notes to the Financial Statements (Continued)

5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	31,406	-
Electricity	-	58,500
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	19,770	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,694,000	-
Hospitality supplies and services	-	-
Other committee expenses	850,000	3,780,000
Committee allowance	1,499,000	2,760,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	3,930,000	677,160
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	77,231	28,240
Other Operating Expenses	-	-
Security operations	273,000	199,500
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
TOTAL	8,374,407	7,503,400

6. Transfer To Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	12,800,000	21,800,000
Transfers to Secondary Schools	50,946,010	41,424,500
Transfers to Tertiary Institutions	26,547,750	13,500,000
TOTAL	90,293,760	76,724,500

Notes to the Financial Statements (Continued)

7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	39,700,242	25,806,000
Bursary -Tertiary (see attached list)	13,819,100	19,505,370
Bursary- Special Schools	965,000	706,000
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	5,506,035	8,300,000
Sports Projects (see attached list)	2,741,778	2,746,354
Environment Projects (see attached list)	2,741,778	4,000,000
Emergency Projects (see attached list)	6,750,200	9,927,276
TOTAL	72,224,133	70,991,000

8. Acquisition Of Assets

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

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Notes to the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Cooperative Bank, Mbale Branch, VIHIGA NG-CDF	A/C no. 01141471496600	3,091,226	8,118,373
		-	-
		-	-
TOTAL		3,091,226	8,118,373

10B: CASH IN HAND)

	2021-2022	2020 - 2021
	Kshs (30/6/2022)	Kshs (30/6/2021)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

11: Outstanding Imprests

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2022)
	Date imprest taken	Kshs	Kshs	Kshs
		-	-	-
		-	-	-
		-	-	-

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TOTAL		-	-	-
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Notes to the Financial Statements (Continued)

12A. Retention

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

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1st July (A)		-
Gratuity held during the year (B)	-	1,536,468
Gratuity paid during the Year (C)	-	1,536,468
Closing Gratuity as at 30th June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022	2020-2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	8,118,373	4,210,310
Cash in hand		
Imprest		
TOTAL	8,118,373	4,210,310

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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 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances		-	-
Cash in hand		-	-
Accounts Payable		-	-
Receivables		-	-
Others (C/B undercast		-	-
Total		-	-

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020- 2021
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
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	2020- 2021
	Kshs	Kshs
Deposits and Retention as at 1st July 2021 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-

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Net changes in accounts payables A-D	-	-
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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
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	31,123	12,787
Use of goods and services	733,339	511,810
Amounts due to other Government entities (see attached list)	4,000,000	28,052,000
Amounts due to other grants and other transfers (see attached list)	4,415,643	18,130,656
Acquisition of assets	6,000,000	6,000,000
Others (<i>specify</i>)	-	1,500,000
Funds pending approval		
	15,180,106	54,207,253

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	13,925,137	10,562,559
	13,925,137	10,562,559

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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					

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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				

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 Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Compensation of employees		31,123	12,787	
Use of goods & services		733,339	511,810	
Amounts due to other Government entities				
a) Primary School Projects				
Matigaro Primary School	Renovation of 4 number classrooms to completion.	-	2,000,000	
Mbihi Primary School	Renovation of 2 Classrooms to completion.	-	1,200,000	
Lyamagale Primary School	Renovation of 2 Classrooms to completion.	-	1,200,000	
Lyamidi Primary School	Renovation of 2 Classrooms to completion.	-	1,200,000	
b) Secondary School Projects				
Chango Secondary School	Construction of phase 1 of one storey dormitory with a student capacity of 150	-	3,000,000	
Chavavo Secondary School	Completion of a two storey tuition block comprising of 9(3 on each floor)classrooms.	2,000,000	2,000,000	
Kitumba Secondary School	Completion of a 2 storey building consisting of 12 classrooms(4 on each floor).	-	3,000,000	
Vigina Secondary School	Completion of a storey building of 2 classrooms with a storey foundation.	-	2,000,000	
Madira Girls Sec. School	Completo of phase 1 of a 150 student capacity dormitory.	2,000,000	2,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Mudavadi Girls High School Madzuu	Ongoing construction of a 3 storey tuition block.	-	5,452,000	
c) Tertiary Institution Projects				
Kenya Medical Training College - Vihiga	Completion of administration block phase 2 (Comprising of reception ,offices;principal,deputy principal,secretary,accountant, 2 HODs,staffroom and registry).	-	5,000,000	
Sub-Total		4,000,000	28,052,000	
Amounts due to other grants and other transfers				
a) Emergency				
Emergency	To cater for unforeseen circumstances.	560,207	118,200	
b) Bursary and Social Security				
Secondary Schools	Payment of Bursary to needy students in secondary schools.	26,799	11,727,041	
Tertiary Institutions	Payment of bursary to needy students in tertiary institutions	323,650	3,190,500	
Social Security		-	-	
Special Needs	Payment of Bursary to needy students in special schools.	16,108	-	
c) Sports				
Sports	Carry out constituency sports tournament and the winning	2,088,879	2,088,879	

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Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
	teams/ school to be awarded with trophies, balls and games kits.			
d) Environment				
Lwangele Primary School		-	-	
e) Security				
Vihiga Criminal Investigation Department offices	Renovation of the VCID Offices	-	1,006,035	
Busamo Chiefs Office	Purchase of office furniture:5 High back mesh chairs@Kshs 175,000.00,one office desk@Kshs.70,000.00 and two storage cabinets@Kshs.55,000.00	300,000	-	
Kegoye Administration Police Camp	Purchase of office furniture:5 High back mesh chairs @Kshs 175,000.00,one office desk@Kshs.70,000.00 and two storage cabinets@Kshs.55,000.00	300,000	-	
Lugaga Chiefs Office	Purchase of office furniture:5 High back mesh chairs @Kshs 175,000.00,one office desk@Kshs.70,000.00 and two storage cabinets@Kshs.55,000.00	300,000	-	
Lyavora Administration Police Camp	Purchase of office furniture:5 High back mesh chairs @Kshs 175,000.00,one office desk@Kshs.70,000.00 and two storage cabinets@Kshs.55,000.00	300,000	-	
Office of the Deputy DCC	Purchase of office furniture:5 High back mesh chairs@150,000.00,one office	200,000		

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs) 2020/21			(Kshs) 2021/22
Land	-	-	-	-
Buildings and structures	10,500,000	-	-	10,500,000
Transport equipment	4,000,000	-	-	4,000,000
Office equipment, furniture and fittings	2,019,280	-	-	2,019,280
ICT Equipment, Software and Other ICT Assets	281,928	-	-	281,928
Other Machinery and Equipment	261,000	-	-	261,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	17,062,208			17,062,208

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

PMC NAME	Bank	Account Number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Angoya A.P Camp PMC	KCB	1239918658	12/10/2018	-	61,475
Ceca Inyanza Secondary School PMC	KCB	1259550451	27/06/2019	-	-
Chambiti Sec Sch PMC	KCB	1255579218	17/04/2019	745,393	-
Chanda primary school PMC	coop bank	01141246286000	3/4/2021	-	34,200
Chandolo S.A Secondary School PMC	KCB	1255366168	11/4/2019	-	-
Chandugunyi primary school PMC	KCB	1240074441	17/10/2018	-	1,395
Chango Primary School PMC	Coop bank	01141015000900	17/10/2018	-	146,975
Chango Sec. School PMC	KCB	1259459322	25/06/2019	447,517	16,430
Chanzywe Pri Sch PMC	KCB	1255317647	10/4/2019	70,845	-
Chanzoka Primary School	KCB	1210291614	23/05/2017	-	-
Chanzuvu Primary School PMC	KCB	1237327490	17/08/2018	-	-
Chavavo Sec Sch PMC	KCB	1209361337	5/5/2017	73,462	55,144
Chavugami primary school PMC	Coop bank	01141246286100	3/4/2021	-	22,950
Chenzeywe Tech Inst Tr PMC	coop bank	01141246367400	22/03/2022	-	-
DCI Vihiga PMC	KCB	1288149530	13/08/2021	-	-
Emanda Secondary School PMC	KCB	1257881019	12/6/2019	-	-
Enanga Primary School PMC	Coop Bank	01141471048400	8/5/2020	-	-
Gavalagi primary school PMC	KCB	1209098806	3/5/2017	-	2,325
Gilwatzi Secondary School PMC	KCB	1235074463	6/7/2018	-	-
Got Kabindi primary school PMC	KCB	1273775333	13/05/2020	-	403,975

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PMC NAME PMC	Bank	Account Number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Hamasana primary school PMC	Coop bank	01141246300100	9/6/2021	-	582,948
Idavaga Muslim secondary PMC	KCB	1241374805	22/11/2018	-	285
Idavaga Primary School	KCB	1273498917	5/5/2020	42,682	-
Ideleri AP Camp	Coop Bank	01141471151500	15/06/2020	-	-
Ideleri primary school PMC	KCB	1237352665	17/08/2018	-	4,214
Ideleri Secondary School	KCB	1209512688	9/5/2017	-	-
Igakala Primary School PMC	KCB	1255631007	18/04/2019	-	-
Ihygalo primary school PMC	Coop bank	01141246300300	11/06/2021	-	527,950
Ikumba Sec Sch PMC	KCB	1273528050	6/5/2020	838,569	411,155
Ingidi Primary School PMC	KCB	1255322888	10/4/2019	-	-
Itengi Primary School	KCB	1210291614	23/05/2017	-	-
Kegoye Sec Sch PMC	KCB	1265581975	4/10/2019	66,975	-
Kerongo primary school PMC	Coop bank	01141246283700	13/04/2021	-	22,950
Kerongo secondary school PMC	coop bank	01141246206200	14/10/2020	-	375
Kidinye Primary School PMC	Coop bank	01141246300800	11/06/2021	-	552,950
Kidinye Sec Sch PMC	KCB	1265874662	11/10/2019	1,496,253	-
Kidinye secondary school PMC	KCB	1265874662	11/10/2019	-	667,755
Kigadahi Primary School	coop bank	01141246363500	3/3/2022	73,975	-
Kijiinya Secondary School PMC	KCB	1255188154	8/4/2019	-	-
Kitumba secondary school PMC	coop bank	01141471317500	15/08/2020	273,976	-
KMTC Vihiga PMC	Coop Bank	01141246294900	17/05/2021	1,874,590	1,990,172
Komulalu Secondary School PMC	Coop Bank	01141471125800	6/6/2020	-	-
Lusavasavi Pri Sch PMC	KCB	1210004399	18/05/2017	24,292	-
Lusavisavi Police St PMC	coop bank		12/3/2022	-	-

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PMC NAME	Bank	Account Number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Lwangele Pri Sch PMC	KCB	1238591078	12/9/2018	568,175	-
Lyamagale primary school PMC	KCB	1288927878	7/9/2021	-	-
Lyamidi primary school PMC	KCB	1255732644	23/04/2019	-	24,998
Lyavora A.P Camp PMC	Coop bank	01141471316200	14/08/2020	-	48,885
Madira Girls Secondary school PMC	KCB	110801342	4/12/2007	3,201,057	561,783
Madira Primary School PMC	KCB	1205545069	22/08/2018	-	-
Madzugi Primary School	coop bank	0114147111500	5/6/2020	43,973	-
Madzuiu Primary School PMC	KCB	1237498015	22/08/2018	-	-
Madzuiu secondary school PMC	KCB	1238554792	12/9/2018	-	312,524
Magaka primary school PMC	KCB	1255578971	17/04/2019	-	12,655
Mahanga primary school PMC	Coop bank	01141471128700	10/6/2020	-	48,975
Malindi Primary School	KCB	1209393360	18/05/2017	-	-
Masana Primary School PMC	KCB	1255365781	11/4/2019	-	-
Masana Sec Sch PMC	KCB	1209519372	9/5/2017	1,006,895	2,027,136
Matagaro primary school PMC	KCB	1288128258	13/08/2021	-	-
Matsigulu Primary School PMC	Coop Bank	1141471099500	3/6/2020	-	-
Mbale Police Station PMC	KCB	1240784554	6/11/2018	-	-
Mbihi primary school PMC	KCB	1209468891	8/5/2017	-	335
Mkombozi Magaka Primary	KCB	1205545115	6/2/2017	-	-
Mukuli Primary School	KCB	1210249162	22/05/2017	-	-
Musunguti Primary School PMC	Coop Bank	1141471084400	20/05/2020	-	-
Navuhi primary school PMC	Coop bank	1141246310600	6/7/2021	-	-
St. Clares Maragoli Girls PMC	coop bank	1141246304600	28/06/2021	-	2,050
Vigina secondary school PMC	KCB	1255579250	17/04/2019	3,076,508	19,645

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PMC NAME	Bank	Account Number	DATE A/C OPENED	Bank Balance 2021/22	Bank Balance 2020/21
Vihiga DCI	KCB	1288149530	13/08/2021	-	-
Vihiga Education Centre PMC	Coop bank	1141246310400	7/7/2021	-	-
Vihiga Police Station PMC	KCB	1268052043	29/11/2019	-	-
Vihiga Primary School	Coop Bank	1141471048800	8/5/2020	-	-
Vihiga Sport PMC	KCB	1241356513	22/11/2018	-	-
Visiru Primary School	Coop Bank	1141471152400	16/06/2021	-	-
Vumale Primary School PMC	KCB	1252400535	5/2/2019	-	-
Vunandi sub location PMC	Coop bank	1141246301000	11/06/2021	-	1,997,950
				13,925,137	10,562,559

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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)
Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020	Included in the statement of assets and liabilities is total financial assets of Kshs.4,210,310 being bank balances while under note 10A its reflected as Kshs.5,430,957 resulting to unreconciled figure of Kshs.1,220,647. Consequently, the accuracy, Validity and completeness of the bank account balance of Kshs.4,210,310 as at 30 th June could not be confirmed.	The bank balances as at 30 th June of Kshs.4,210,310. The financial statements has been amended to reflect the true picture for the same.	Resolved	
Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020	Unsupported PMC Bank Balances The financial statement availed for audit under note 17.4 annex 5 reflected Kshs.7,982,570 as FMC bank balances. However, eight(8)PMC bank balances totaling to Kshs.375,361 as per the schedule availed their bank confirmation certificates were not availed for audit verification and the balances disclosed in the financial statements were not supported. Contrary to section 100 of public Finance Management Regulations 2015 states that Accounting officers shall keep in offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for the	❖ The bank balances certificates for the PMC have been availed for audit verification.	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)
	proper maintenance and production of the accounts of the Vote for which he or she is responsible. Consequently the accuracy, validity and completeness of the PMC bank balances of Kshs.7,982,570 as at 30 th June 2020 could not be confirmed.			
Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020	Unsurported Other Receipts Included in the financial statements under note 3 reflects other receipts of Kshs.1,094,382. However, supporting documents were not availed for audit verification. Consequently, the accuracy, validity and completeness of other receipts of Kshs.1,094,383 as at 30 th June 2020 could not be confirmed.	❖ The entry was an error and has been corrected I the amended financial statements.	Resolved	
Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020	Unsurported Expenditure on Transfer to Various Schools Included in the financial statements under note 6 reflects Transfer to other government entities of Kshs.72,760,000 which includes transfer to secondary schools of Kshs.35,160,000 out of which Kshs.340,000 disbursed to various schools were not supported by payment Vouchers. Contrary to section 100 of Public Finance Management Regulations 2015 state that Accounting officers shall keep in all offices concerned receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for the proper maintenance and production of the accounts of the vote for which he or she is responsible. Consequently, he propriety of	❖ The supporting documents were later presented to Audit office for Audit verification.	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)
Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020	<p>Kshs.340,000 as at 30th June 2020 could not be confirmed.</p> <p>Unsupported Bursary to Secondary Schools Included in the financial statements under note 7 reflects other grants and other payments of Kshs.44,409,960 which includes transfer to bursary-secondary schools of KSHS.15,082,000 out of which the fund reflected that Vihiga High School was disbursed Kshs.3,430,000 and Ikumba secondary school Kshs.800,000.However,the schools management have acknowledged receipt of Kshs.3,020,000 for Vihiga High School and Kshs.406,000 Ikumba Secondary school ,leading to unexplained variance of Kshs.410,000 and Kshs.394,000 respectively. Contrary to section 100 of public Finance Management Regulations2015 state the accounting Officers shall keep in all officers concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for the proper maintenance and production of the accounts of the vote for which he or she is responsible. Consequently ,the propriety of the expenditure of Kshs.804,000 s at 30 June 2020 could not be confirmed.</p>	<p>❖ The acknowledgement receipts have been received from the institutions and attached for audit verification.</p>	Resolved	
Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020	<p>Unsupported Unutilized Fund Budget Included in the financial statements under note 17.3 reflects unutilized fund of Kshs.76,058,852.However,the figure is not supported by schedules and bank statement.Contrary to section 100 of Public Finance Management Regulations 2015 state the Accounting</p>	<p>❖ The unutilized fund of Kshs.76,058,852 is the cash book balance of Kshs.4,210,310 plus the amount owed by the board as at 30th</p>	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>Officers shall keep in all offices concerned with receiving cash or making payments a cash bookshowing the receipts and payments shall maintain such other books and officers registers as may be necessary for proper maintenance and production of the accounts of the vote for which he or she is responsible. Consequently, the accuracy, validity and completeness of the fund of Kshs.76,058,852 as at 30 June 2020 could not be confirmed.</p> <p>Other Matters</p> <p>1. Budget Control and Performance</p> <p>The funds approved budget for the year 2019/2020 amounted to Kshs.202,732,450 comprising of 2019/2020 allocation of Kshs.137,367,724 and adjustment from 2018/2019 of Kshs.65,364,726</p> <p>1.1 Receipts Analysis</p> <p>Vihiga National Government Constituency Development Fund had budgeted to receive Kshs.202,732,450 but only received Kshs.120,560,058 resulting in underfunding of Kshs.82,172,392 being 41% of the budgeted amount, denying the fund opportunity to attain strategic development objectives.</p>	<p>June 2020. Copies of cash book extract and copies of ALEs that were later utilized were produced for Audit verification.</p>		
<p>Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020</p>		<p>❖ The underfunding was as a result of late disbursement of the fund to the constituency.</p>	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>Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020</p>	<p>Expenditure Analysis</p> <p>The fund incurred an expenditure of Kshs.126,673,598 representing 62% of the approved budget resulting in under absorption of Kshs.76,058,852 being 38% on the budgeted amount as at 30th June 2020. Consequently, failure to utilize all funds as budgeted /disbursed is an indication that programs and activities are not implemented as planned hence not achieving the intended objective of improving delivery of goods and services to the residents of Vihiga constituency. The NGCDF Vihiga therefore could not be able to achieve all its development plans for the year under review. Hence, the citizens could not get the value for money from the projects that were not fully implemented and the fund was in breach of law.</p>	<ul style="list-style-type: none"> ❖ The under expenditure was as a result of late disbursements of funds by the board. The funds were later utilized in the current financial year. 	Resolved	
<p>Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020</p>	<p>Projects Implementation Status</p> <p>During the year under review the Vihiga National Government Constituency Development Fund was unable to fully implement as a total of 23 budgeted projects all valued at Kshs.92,080,774 while 6 projects valued at Kshs.14,862,250 were not yet started while 16 projects valued at Kshs.76,378,524 were still ongoing, 1 completed but not in use Kshs.840,000 as at 30th June 2020.</p> <p>Consequently, failure to utilize all funds as budgeted /disbursed is an indication that the programs and activities are not implemented as planned hence not achieving the intended objectives of the improving</p>	<ul style="list-style-type: none"> ❖ Vihiga National Government Constituency Development Fund Committee has allocated funds in the current financial year 2020/2021 to complete all ongoing projects. 	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>Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020</p>	<p>delivery of goods and services to the residents of Vihiga Constituency.</p> <p>Basis of Conclusion</p> <p>1. Poor workmanship at Mahanga Primary School Included in the financial statements under note 6 reflects transfer to other government entities of Kshs.72,760,000 which includes transfer to primary schools of Kshs.37,000,000 out of which Kshs.1,200,000 was disbursed to Mahanga Primary School in respect of the construction of the proposed renovation of 2 No. classrooms at contract price of Kshs.1,200,948 awarded to Limpid Ventures Limited being the lowest bidder through an award letter dated 4th May 2020, However no contract agreement and acceptance letter were availed for audit review thus difficult to ascertain the project commencement date and the project duration.</p>	<p>❖ The contract agreement and acceptance for renovation of 2 No. classrooms at Mahanga primary school by Limpid ventures Limited is available for Audit verification.</p> <p>❖ The Management has liaised with works officer from Vihiga to make sure the quantity the works done before issuance of the payment certificates. The management to form an Inspection and acceptance committee which will foresee the works done before payments. The contractor has been recalled to repair the</p>	<p>Resolved</p>	

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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>Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020</p>	<p>Unlabeled Primary Schools</p> <p>Included in the financial statement under note 6 reflects transfer to other government entities of Kshs.72,760,000 which includes transfer to primary schools of Kshs.37,600,000 out of which Kshs.2,700,000 were disbursed to 3 schools for various activities, physical verification on 1st March 2021 revealed that the schools were completed but not labeled hence it was not possible to ascertain if the activities were done by Vihiga CDF or other agencies. Consequently, the accountability of the funding could not be confirmed.</p>	<p>defects done under the supervision of works officer</p> <p>❖ All the completed projects have now been labeled.</p>	<p>Resolved</p>	

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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>Our ref:VIHG-CDF/CO NF/AUDIT/2019/2020</p>	<p>Unlabeled Kegoye Administrative Police Camp included in the financial statement under note 7 reflects other grants and other payments of Kshs.44,409,960 which includes security of Kshs.9,203,142 out of which Kshs.2,000,000 was disbursed to Kegoye Administrative Police Camp for purchase of land and construction of a police camp. Physical verification on 1st March 2021 revealed that the camp was completed but not labeled hence it was not possible to ascertain if the activities were done by Vihiga CDF or other agencies. Consequently, the accountability of the funding could not be confirmed.</p>	<p>❖ Kegoye administrative police camp was funded by Vihiga NG-CDF.The project has now been labeled.</p>	<p>Resolved</p>	



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Name
Fund Account Manager.