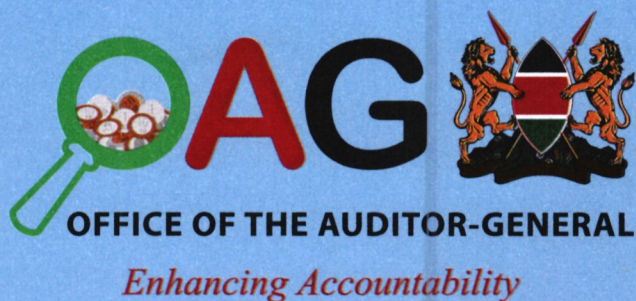
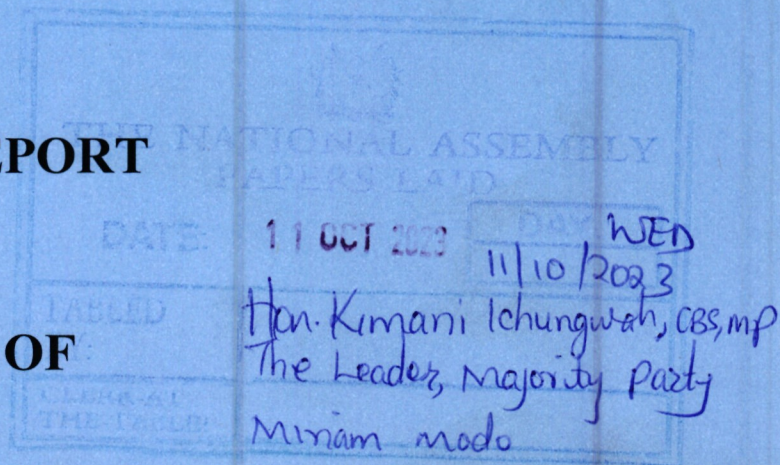


REPUBLIC OF KENYA



REPORT

OF:



THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KITUTU CHACHE NORTH
CONSTITUENCY**

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



**KITUTU CHACHE NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2022

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

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- 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 Kitutu Chache North Constituency NGCDF day-to-day management is under the following key organs:

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

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ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Edwin K. Rutto
2.	Sub-County Accountant	Omae Birundu
3.	Chairman NGCDFC	Samwel Ondieki
4.	Member NGCDFC	Mary Onkoba

(d) Fiduciary Oversight Arrangements

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

P.O. Box 4576
NG-CDF Office Building - Marani
Marani Sub-County Headquarters
KISII, KENYA

(f) Kitutu Chache North Constituency NGCDF Contacts

Telephone: (254) 720-140-374
E-mail: cdffkitutuchachenorth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Kitutu Chache North Constituency NGCDF Bankers

Co-operative Bank

Kisii Branch

P.o Box

KISII

(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

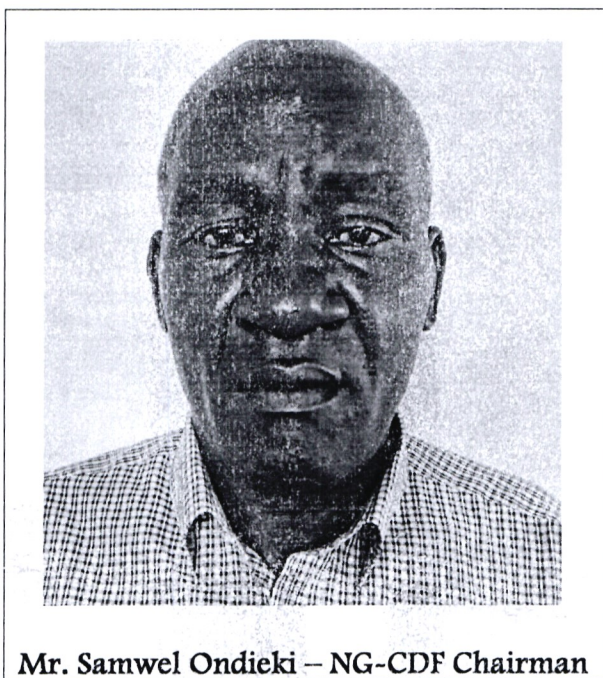
P.O. Box 40112

City Square 00200

Nairobi, Kenya

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II. NG-CDFC Chairman's Report



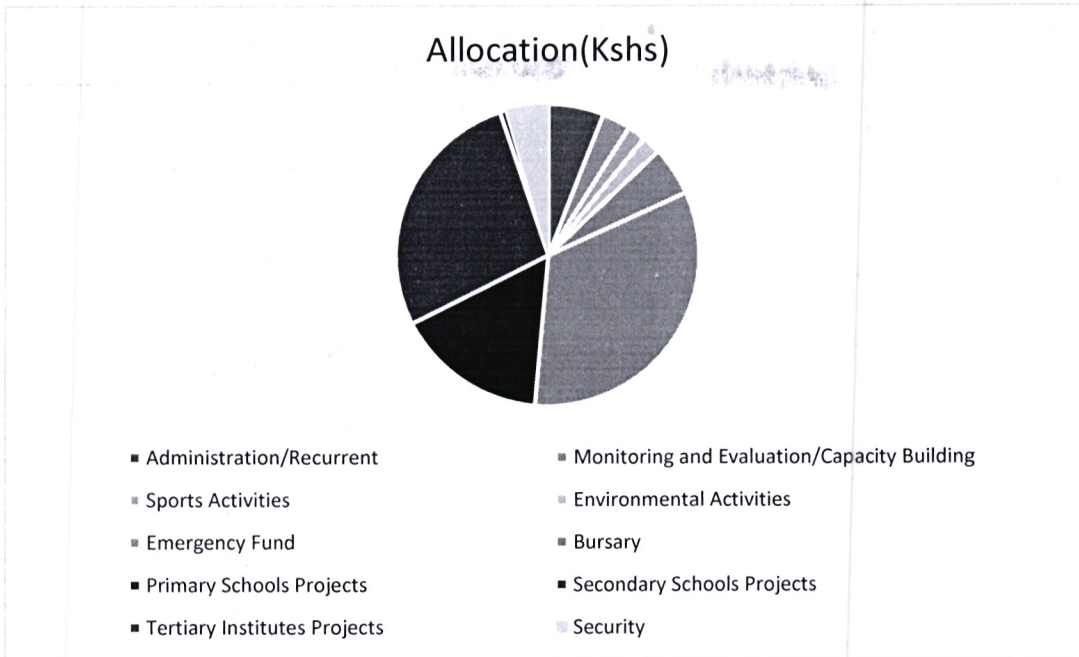
Mr. Samwel Ondieki – NG-CDF Chairman

The financial year 2021/2022 was a year which had some many political activities, during the year government allocated Ksh. 137,088,079 to Kitutu Chache North Constituency. The NG-CDF Committee budgeted for the funds and was apportioned to various sectors as shown below;

KITUTU CHACHE NORTH APPROPRIATION PER SECTOR

Serial	Name of Project	Amount Allocated
268/AP1	Administration/Recurrent	8,225,332.74
268/AP2	Monitoring and Evaluation/Capacity Building	4,112,666.37
268/2640509	Sports Activities	2,741,777.58
268/2640510	Environmental Activities	2,741,777.58
268/2640200	Emergency Fund	7,192,207.00
268/2640101	Bursary	45,475,117.73
268/2630205	Primary Schools Projects	22,100,000.00
268/2630205	Secondary Schools Projects	37,400,000.00
268/2630205	Tertiary Institutes Projects	1,000,000.00
268/2640507	Security	6,100,000.00
Total		137,088,879.00

This is depicted in the graph as



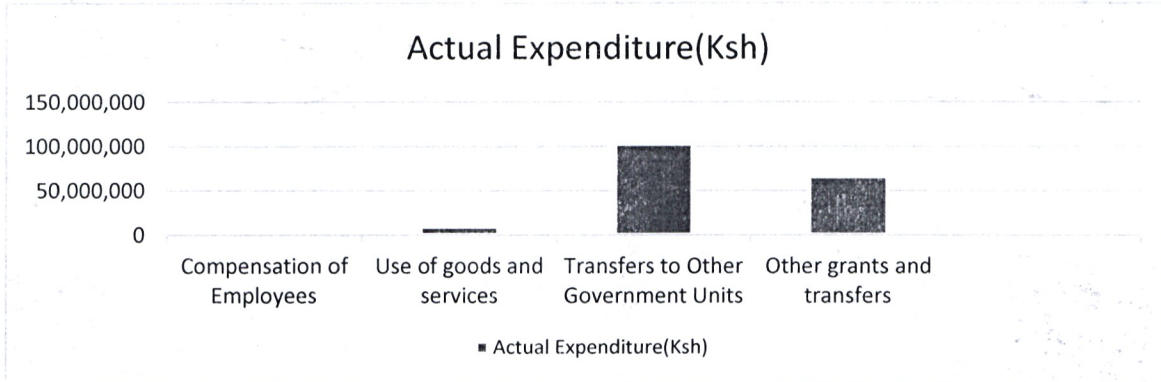
As depicted above Secondary school projects took a lion share of the constituency allocation, this was majorly attributed to three buses which were bought for Nyansakia Secondary School, Eramba Secondary School and Nyakeyo Secondary School.

The constituency received 100% of the total allocation that is Ksh. 137,088,879, all previous undisbursed balances were also received during the year. The constituency was able to absorb over 68% of all funds received during the financial year was received.

The NG-CDF Committee prioritized the funds which were received and gave priority to projects in Other Grants and Transfers and Transfers to other government entities as well as transfers to other government entities. Most of these projects were done to satisfaction. The bulk of funds utilized in the financial were in bursary, education projects and other grants and transfers.

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The funds received during the year were spent in the votes as depicted in the following votes



Kitutu Chache North National Government Constituency Development Fund Committee (NGCDF) projects were majorly implemented through Project Management Committees. Some of the projects implemented during the year are represented pictorially below.



KITUTU CHACHE NORTH NG CDF PROJECT-3 CLASSROOMS CONSTRUCTED BY NG-CDF



KITUTU CHACHE NORTH NG CDF - NYANSAKIA SECONDARY SCHOOL BUS FULLY PURCHASED BY NG-CDF

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects

The major emerging issue which arose during the year was the post COVID 19 Pandemic, this pandemic affected the construction dimension of some the school infrastructure, i.e in construction of social distances had to be considered thereby affecting budgeting and project costing.

The major challenge faced by Kitutu Chache North NG-CDF Committee during the year was shortage of technical person in construction at the county level which led to delayed preparation of construction documents i.e., Bill of Quantities, drawings as well as close supervision of projects by experts, this challenged sometimes led to poor workmanship in some project.

.....
Samwel Onyiego Ondieki

KITUTU CHACHE NORTH NG-CDF COMMITTEE CHAIRMAN

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 *Kitutu Chache North Constituency 2018-2022* plan are to:

- a) To Improve Access to and Quality of Education in the Constituency
- b) To improve security in the Constituency
- c) To improve, coordinate and facilitate infrastructural development in Constituency
- d) To reduce poverty and inequality in the Constituency
- e) To mobilize Resources for Development in the Constituency
- f) To Build Capacity to Implement Development Projects in the Constituency
- g) To promote sports activities and prevent environmental degradation in the Constituency

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to	- number of usable physical infrastructure build in	In FY 2021/2022 - we increased number of classrooms by 32, dormitories by 2 and laboratories by 4. - Bursary beneficiaries

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		secondary schools and tertiary institutions	primary, secondary, and tertiary institutions - number of bursaries beneficiaries at all levels	at all levels were as per the attached schedules
Security	To improve security in the Constituency	Improved security in the constituency	Number of usable security facilities.	In 2021/2022 five additional administrative/security offices were built during the year.
Environment	To promote sports activities in the Constituency	Youth participation in sports.	Number of environmental projects constructed during the year	Five springs were protected during the year.
Sports	To prevent environmental degradation in the Constituency	Green and sustainable environment	Number of teams participating in tournament	Seventy youth football teams participated in the constituency football tournament. It included 10 from female and 10 for male.

IV. Environmental and Sustainability Reporting

Kitutu Chache North 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 Kitutu Chache North NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kitutu Chache North 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 post 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 2021/2022 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Public participation in the identification and implementation of environmental projects

The Kenyan Constitution encourages public participation in the management, protection and conservation of the environment. The NGCDF Board and NG-CDFCs are therefore required to involve the public in the identification and implementation of environmental projects to ensure maintenance and sustainability.

Eligible projects under the NG-CDF Environment programme

1. Projects falling within the National Government functions such as;

(i) Fishing, hunting and gathering;

(a) Construction of fishing bays and bandas to ensure cleanliness of the environment and ease of waste management;

(b) Construction of Eco-san toilets along the beaches

(c) Installation of bee hives for public institutions which helps in pollination and reproduction of plants

(d) Training of fisheries community on the best fishing and hunting practices

(ii) Protection of animals and wildlife;

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- (a) Partnering with relevant Government Departments in fencing national parks and gazetted forests.
- (b) Partnering with relevant Government departments in sensitizing the community against poaching

(iii) Water protection, securing sufficient residual water, and the safety of dams;

- (a) Protection of springs, dams and water reservoirs
- (b) Building of gabions, training of rivers, desilting of dams, fencing of dams and water catchment areas

(iv) Energy policy;

- (a) Installation of biogas and energy saving devices in public institutions *(All NGCDF funded projects should comply with this requirement)*
- (b) Sensitizing the community on energy saving policies
- (c) Carrying out energy requirements surveys

During the year Kitutu Chache North Protected five water springs

3. Employee welfare

We invest in providing the best working environment for our employees. Kitutu Chache North 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 are 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. Kitutu Chache North 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. Kitutu Chache North constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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-

KITUTU CHACHE NORTH 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 interests

5. Community Engagements-

KITUTU CHACHE NORTH 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

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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.

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



.....
Edwin K. Rutto
Fund Account Manager

V. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF- Kitutu Chache North 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- Kitutu Chache North 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- Kitutu Chache North 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.

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

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

Approval of the financial statements

The NGCDF- Kitutu Chache North Constituency financial statements were approved and signed by the Accounting Officer on 30.09. 2022.



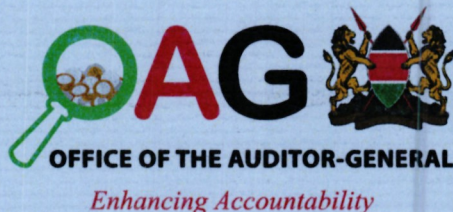
.....
Name: Samwel Ondieki
Chairman – NGCDF Committee



.....
Name: Edwin K. Rutto
Fund Account Manager

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Anniversary Towers
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kitutu Chache North Constituency set out on pages 1 to 45, which comprise the statement of assets and liabilities as at

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

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

Basis for Qualified Opinion

Unsupported Bursaries Expenditure

The statement of receipts and payments, and as disclosed in Note 7 to the financial statements reflects other grants and transfers balance of Kshs.62,009,015 which includes bursary disbursements amounting to Kshs.41,834,000 comprising of Kshs.25,513,000 and Kshs.16,450,000 paid to secondary schools and tertiary institutions respectively. However, bursaries disbursements amounting to Kshs.3,934,000 were not supported with acknowledgement receipts/letters or accounted for by the recipient schools/institutions.

In the circumstances, the validity, accuracy and completeness of the bursary expenditure of Kshs.3,934,000 for the year ended 30 June, 2022 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 - Kitutu Chache North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.212,282,386 and Kshs.210,282,386 respectively resulting

to a shortfall of Kshs.2,000,000. Similarly, the Fund expended Kshs.180,685,212 which is overstated at Kshs.180,814,212 in the summary statement of appropriation against an approved budget of Kshs.212,282,386 resulting to an under-expenditure of Kshs.31,597,174 or 15% of the approved budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Kitutu Chache North Constituency.

2.0 Unresolved Prior Year Audit Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Transfers to Other Government Units

1.1 Failure to Brand Completed Projects

Included in the reported balance of transfers to other Government units of Kshs.101,710,000 as disclosed in Note 6 to the financial statements are transfers to primary schools of Kshs.31,900,000, transfers to secondary schools of Kshs.68,810,000 and transfers to tertiary institutions of Kshs.1,000,000. However, field verification revealed that four (4) projects implemented at a cost of Kshs.2,500,000 as tabulated below were complete and in use but were not branded.

Project Name	Project Details	Amount (Kshs.)
Gesangora Primary School	Construction of one new classroom to completion	600,000
Mesaria Primary School	Renovation of one classroom to completion, reroofing, plastering, flooring, fixing windows and doors and painting	300,000
Entanda Secondary School	Construction of a science laboratory to accommodate 40students to completion	1,000,000
Nyakeyo Primary School	Construction of one new classroom to completion	600,000
	Total	2,500,000

Lack of branding of projects is in breach of Regulation 11(1)(cc) of the National Government Constituencies Development Fund Regulations, 2016 that states that, one of the functions of the constituency committee is to ensure projects are labelled in accordance with the guidelines issued by the Board.

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

1.2 Failure to Involve Technical Department During Project Implementation

Included in the reported balance of transfers to other Government units of Kshs.101,710,000 as disclosed in Note 6 to the financial statements are transfers to primary schools of Kshs.31,900,000, transfers to secondary schools of Kshs.68,810,000 and transfers to tertiary institutions of Kshs.1,000,000. However, review of records revealed that eight (8) projects implemented at a cost of Kshs.5,500,000 as tabulated below were implemented without the involvement of the County Public Works Officer.

Project Name	Project Details	Amount (Kshs.)
Gesangora Primary School	Construction of one new classroom to completion	600,000
Mesaria Primary School	Renovation of one classroom to completion, reroofing, plastering, flooring, fixing windows and doors and painting.	300,000
Kegogi A.P Line	Construction of a two roomed office for Officer Commanding Police Station (OCS) to completion	1,200,000
Sensi Secondary School	Emergency project- construction of a three door latrine	300,000
Masakwe Primary School	Construction of an administration block	500,000
Entanda Secondary School	Construction of a science laboratory to accommodate 40mstudents to completion	1,000,000
Nyakeyo Primary School	Construction of one new classroom to completion	600,000
Nyagonyi Secondary School	Construction of 40 students capacity computer laboratory to completion	1,000,000
	Total	5,500,000

This is contrary to the provisions of Regulation 15(4) of the National Government Constituencies Development Fund Regulations, 2016 which requires a Project Management Committee to prepare the requisite budgets and bills of quantities, assisted by relevant government officers and work plans showing how it intends to utilize the funds given to it for implementing the project, which shall be approved by a Constituency Committee before the funds are released.

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

2.0 Incomplete Projects

Review of documents and physical verification during the time of audit in July, 2023 revealed that three (3) projects costing Kshs.2,700,000 as tabulated below were incomplete and at various stages of completion.

Project Name	Project Details	Amount (Kshs.)
Masakwe Primary School	Construction of an Administration Block	500,000
Nyagonyi Secondary School	Construction of a Computer Laboratory	1,000,000
Kegodi AP Line	Construction of an OCS Office	1,200,000
	Total	2,700,000

Delays in completion of projects may lead to escalation of costs and the students and other stakeholders have not received the expected utility and value for money from the funds so far spent on the projects.

3.0 Lack of Project Management Committee (PMC) Handover Reports

Management did not provide for audit review Project Management Committee handover reports to the Constituency Development Committee for the completed projects implemented at a cost of Kshs.3,400,000 as tabulated below:

Project Name	Project Details	Amount (Kshs.)
Gesangora Primary School	Construction of one new classroom to completion	600,000
Mesaria Primary School	Renovation of one classroom to completion, reroofing, plastering, flooring, fixing windows and doors and painting.	300,000
Sensi Secondary School	Emergency project - construction of a three door latrine	300,000
Entanda Secondary School	Construction of a science laboratory to accommodate 40students to completion	1,000,000
Nyakeyo Primary School	Construction of one new classroom to completion	600,000
Kiarenii Secondary School	Construction of one new classroom to completion	600,000
	Total	3,400,000

This is contrary to Regulation 15(4b) which requires a PMC to prepare work plans showing how it intends to utilize the funds given to it for implementing the project and Regulation 15(2) which requires a PMC to prepare and submit handover reports to a Constituency Committee.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease its operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in

compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 September, 2023

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

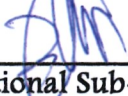
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

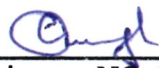
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	182,777,758	160,767,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	=	=
Total Receipts		182,777,758	160,767,724
Payments			
Compensation Of Employees	4	2,256,000	1,826,640
Use Of Goods and Services	5	14,839,197	11,961,951
Transfers To Other Government Units	6	101,710,000	75,650,000
Other Grants and Transfers	7	62,009,015	79,842,005
Acquisition Of Assets	8	-	-
Other Payments	9	-	=
Total Payments		180,685,212	169,280,596
Surplus/(Deficit)		1,963,546	<u>(8,512,872)</u>

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

The Constituency financial statements were approved on 30.09, 2022 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Edwin K. Rutto

Name: Omae Birundu
ICPAK M/No: 18248

Name: Samwel Ondieki

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

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

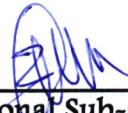
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	29,468,174	27,504,628
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		29,468,174	27,504,628
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		29,468,174	27,504,628
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities			
Net Financial Assets		<u>29,468,174</u>	<u>27,504,628</u>
Represented By			
Fund Balance B/Fwd	13	27,504,628	36,017,500
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		1,963,546	(8,512,872)
Net Financial Position		<u>29,468,174</u>	<u>27,504,628</u>

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

The Constituency financial statements were approved on 30.09. 2022 and signed by:



Fund Account Manager

Name: Edwin K. Rutto


**National Sub-County
Accountant**

Name: Omae Birundu

ICPAK M/No: 18248


**Chairman NG-CDF
Committee**

Name: Samwel Ondieki

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

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

	Notes	2021 – 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	182,777,758	160,767,724
Other Receipts	3	-	-
Total Receipts		182,777,758	160,767,724
Payments			
Compensation Of Employees	4	2,256,000	1,826,640
Use Of Goods and Services	5	14,839,197	11,961,951
Transfers To Other Government Units	6	101,710,000	75,650,000
Other Grants and Transfers	7	61,880,015	79,842,005
Other Payments	9	-	-
Total Payments		180,685,212	169,280,596
Total Receipts Less Total Payments			
Adjusted For:			-
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		1,963,546	(8,512,872)
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		1,963,546	(8,512,872)
Cash & Cash Equivalent At Start Of The Year	10	27,504,628	36,017,500
Cash & Cash Equivalent At End Of The Year	10	29,468,174	27,504,628

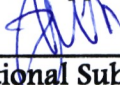
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 30.09.2022 and signed by:




Fund Account Manager

Name: Edwin K. Rutto



**National Sub-County
Accountant**
Name: Omae Birundu
ICPAK M/No: 18248



**Chairman NG-CDF
Committee**
Name: Samwel Ondieki

**Kitutu Chache North 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

Receipts/Payments	Original Budget		Adjustments		Final Budget		Actual on comparable basis	Budget utilization difference	% of Utilization
	a	2021/2022	B	Previous Years' Outstanding disbursements	c=a+b	2021/2022			
Receipts									
Transfers From NGCDF Board		137,088,879		47,688,879		212,282,386	210,282,386	2,000,000	99.1%
Proceeds From Sale of Assets						0	-	-	0.0%
Other Receipts						0	-	-	99.1%
Totals		137,088,879	27,504,628	47,688,879		212,282,386	210,282,386	2,000,000	
Payments									
Compensation Of Employees		2,700,000	74,213			2,774,213	2,256,000	518,213	81.3%
Use Of Goods and Services		9,637,999	1,762			9,639,761	14,841,761	(5,202,000)	153.9%
Transfers To Other Government Units		60,500,000	16,189,597	37,688,879		114,378,476	101,710,000	12,688,476	82.2%
Other Grants and Transfers		64,250,880	6,062,029	10,000,000		80,312,909	62,009,015	18,432,894	75.6%
Acquisition Of Assets			500,000.00			500,000	-	500,000	0.0%
Other Payments		0	4,677,027.00			4,677,027	-	4,677,027	99.1%
Funds Pending Approval**									
Totals		137,088,879	27,504,628	47,688,879		212,282,386	180,814,212	31,468,174	85.1%

****Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.
Explanatory Notes.**

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

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

- (b) Some votes had utilization of less than 90% because funds were received towards the end of the financial and therefore expenditure had not been incurred because procurement was still in progress.
- (c) Expenditure on Administration will be regularized in the subsequent financial year
- (d) (Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IFSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	31,468,174
Less undisbursed funds receivable from the Board as at 30 th June 2022	2,000,000
	29,468,174
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	29,468,174

The Constituency financial statements were approved on 30.09.2022 and signed by:



Fund Account Manager

Name: Edwin K. Rutto



National Sub-County Accountant

Name: Omae Birundu
ICPAK M/No: 18248



Chairman NG-CDF Committee

Name: Samwel Ondieki

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

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

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,700,000	74,213		2,774,213	2,256,000	518,213
1.2 Committee allowances	3,254,574	-		3,254,574	3,254,574	0
1.3 Use of goods and services	2,270,758	-		2,270,758	4,871,758	-2,601,000
Total	8,225,332	74,213		8,299,545	10,382,332	-2,082,787
2.0 Monitoring and evaluation						
2.1 Capacity building	1,285,275		-	1,285,275	1,285,275	(0)
2.2 Committee allowances	1,749,806		-	1,749,806	1,749,806	(0)
2.3 Use of goods and services	1,077,586	1,763		1,079,349	3,677,784	2,565
Total	4,112,666	1,763		4,114,429	6,715,865	-2,601,436
3.0 Emergency						
3.1 Primary Schools	7,192,207		781,768	7,973,976		781,768
Marani Sub County HQ	7,192,208			421,400	421,400	-
Tambacha sec				400,000	400,000	-
Monyerero				500,000	500,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
Sensi sec				300,000	300,000	-
Gamba				300,000	300,000	-
Itumbe pry				300,000	300,000	-
Mesaria primary school				8,400	8,400	-
Mesaria primary school				411,600	411,600	-
Maroma primary school				8,400	8,400	-
Maroma primary school				411,600	411,600	-
Rikenye primary school				13,200	13,200	-
Rikenye primary school				646,800	646,800	-
Monyerero primary school				10,618	10,618	-
Monyerero primary school				520,262	520,262	-
Nyamokenye pry school				300,000	300,000.00	-
Nyagoto primary school				446,860	462,000	-
Getionko primary school				294,000	294,000	-
Rioma police station				403,172	403,172	-
Rioma police station				8,228	8,228	-
Rioma police station				12,718	12,718	-
Rioma police station					437,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	437,000			437,000		
Marani d.c.c residence				8,735	8,735	-
Marani d.c.c residence				428,000	428,000	-
Emergency				152,400	152,400	-
Maagonga primary school				10,800	10,800	-
Maagonga primary school				529,200	529,200	-
Ng-cdf office				330,206	330,206	-
Ng-cdf office				5,794	5,794	-
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
3.5 Unutilised				-		-
Total	7,192,208	-	781,768	7,973,976	7,643,133	330,843
4.0 Bursary and Social Security						
4.1 Secondary Schools	21,443,118	5,110,651		26,553,769	25,513,000	1,040,769

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
4.2 Tertiary Institutions	20,000,000	951,378	323,020	21,274,398	16,450,000	4,824,398
4.3 Social Security	4,032,000		4,033,187	8,065,187	-	8,065,187
4.4 Special Needs				-		
Total	45,475,118	6,062,029	4,356,207	55,893,354	41,963,000	14,059,354
5.0 Sports	2,741,777		55,688	2,797,465	2,764,359	33,106
5.1						
Total	2,741,777		55,688	2,797,465	2,764,359	33,106
6.0 Environment						
Sombogo Water Spring	456,963			456,963	456,800	163
Bumburia Water Spring	456,963			456,963	456,802	161
Mesaria Water Spring	456,963			456,963	457,890	(927)
Geturi Spring Protection	456,963			456,963	400,000	56,963
Ragogo Spring Protection	456,963			456,963	336,000	120,963
Ngokoro Spring Protection	456,963			456,963	635,693	(178,730)
Mosocho Water Spring			6,338	6,338	6,338	-
Total	2,741,777	-	6,338	2,748,115	2,749,523	(1,408)
7.0 Primary Schools Projects						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Engotogoti primary school	300,000	250,000		550,000	400,000	150,000
Entanda primary school	600,000	900,000		1,500,000	900,000	600,000
Eramba mission Primary School	300,000	500,000		800,000	800,000	-
Eramba primary school	600,000			600,000	600,000	-
Eronge primary school	300,000	100,000		400,000	400,000	-
Gesabakwa primary school	600,000			600,000	600,000	-
Gesangero primary	600,000			600,000	600,000	-
Gesangora primary school	600,000	600,000		1,200,000	1,200,000	-
Gesurura primary	600,000			600,000	600,000	-
Getionko 1 Primary School	400,000	500,000		900,000	400,000	500,000
Getionko 2 Primary School	600,000			600,000	600,000	-
Geturi primary school	300,000.00			300,000	300,000.00	-
Isanta primary school	400,000.00	300,000		700,000	700,000.00	-
Itibo boys boarding Primary School	600,000.00	500,000		1,100,000	1,100,000.00	-
Itibo primary	300,000.00			300,000	300,000.00	-
Kenyoro primary school	600,000.00	100,000		700,000	700,000.00	-
Kiamogore primary school	300,000.00	100,000		400,000	400,000.00	-

**Kitutu Chache North Constituency
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kiareni primary School	600,000.00			600,000	600,000.00	-
Kioge SDA primary	600,000.00			600,000	600,000.00	-
Kionganyo primary school	300,000.00			300,000	300,000.00	-
Maagonga primary	300,000.00			300,000	300,000.00	-
Maagonga Resource Centre		500,000		500,000		500,000
Magena primary school	300,000.00			300,000	300,000.00	-
Manyansi primary	300,000.00			300,000	300,000.00	-
Marani primary school	300,000.00			300,000	300,000.00	-
Maroma primary school	300,000.00	100,000		400,000	400,000.00	-
Masakwe Primary School		1,500,000		1,500,000	1,000,000.00	500,000
Mesaria primary school	300,000.00	850,000		1,150,000	900,000.00	250,000
Metembe primary	600,000	100,000		700,000	700,000	-
Monyerero primary	600,000	500,000		1,100,000	1,100,000	-
Mosocho primary school	600,000			600,000	600,000	-
Motonto primary school	300,000	500,000		800,000	800,000	-
Ngokoro Primary School		100,000		100,000		100,000
Nyabwiroba Primary School			500,000	500,000	500,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Nyagesenda Primary School			500,000	500,000		500,000
Nyagititi primary school	300,000.00			300,000	300,000	-
Nyagonyi primary school	300,000.00			300,000	300,000	-
Nyakeiri Primay School			300,000	300,000	300,000	-
Nyakenogo Primary School			500,000	500,000	500,000	-
Nyakeyo primary school	600,000		400,000	1,000,000	1,000,000	-
Nyakome Primary School	600,000		600,000	1,200,000	1,200,000	-
Nyakome special School	300,000			300,000	300,000	-
Nyamokenye Primary School	600,000			600,000	600,000	-
Nyamwanga Primary School	300,000		100,000	400,000	400,000	-
Nyandiba Primary School	400,000			400,000	400,000	-
Nyankanda Primary School	300,000		950,000	1,250,000	1,200,000	50,000
Nyansakia Special School	300,000		400,000	400,000	400,000	-
Nyansaga primary school	400,000		350,000	650,000	600,000	50,000
Nyasore primary school	600,000			400,000	400,000	-
Omoenga primary			500,000.00	1,100,000	1,100,000	-
Omogumo primary School	1,000,000			1,000,000	1,000,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
Ragogo primary school	400,000			400,000	400,000	-
Rioma Primary School			300,000	300,000	300,000	-
Riragia Primary School	400,000		500,000	900,000	900,000	-
Rikenye Primary School			100,000	100,000		100,000
Samogara Primary School	400,000		100,000	500,000	100,000	400,000
Sensi Primary School	300,000		500,000	800,000	800,000	-
Tambacha Primary School			100,000	100,000		100,000
Ngenyi Primary School	600,000			600,000	600,000	-
Engoto Primary School	600,000			600,000	600,000	-
Total	22,100,000	8,000,000	6,700,000	36,800,000	33,000,000	3,800,000
8.0 Secondary Schools Projects						
Entanda secondary school	1,000,000		100,000	1,100,000	1,000,000.00	100,000
Engoto Secondary School			500,000	500,000		500,000
Engoto Secondary School			7,250,000	7,250,000	7,250,000	-
Eramba secondary school	300,000		7,250,000	7,550,000	7,510,000	40,000
Gamba secondary school	1,000,000		240,000	1,240,000	1,000,000	240,000
Geturi Secondary School			300,000	300,000		300,000

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Itibogirls' secondary school	1,000,000			1,000,000	1,000,000	-
Ifibo Boys secondary school			100,000	100,000		100,000
Manyansi Secondary School			740,000	740,000	500,000	240,000
Motonto secondary school	1,000,000			1,000,000	1,000,000	-
Ngenyi Girls Secondary School			500,000	500,000		500,000
Nyagesenda Secondary School			75,976	75,976		75,976
Nyagonyi secondary school	1,000,000			1,000,000	1,000,000	-
Nyagoto Secondary School			500,000	500,000		500,000
Nyakeyo Secondary school			7,950,000	7,950,000	7,500,000	450,000
Nyakome secondary school	600,000		240,000	840,000	600,000	240,000
Nyakoora Secondary School			502,500	502,500	500,000	2,500
Nyakeiri Secondary School			600,000.00	600,000	600,000	-
Nyasore Secondary School			500,000.00	500,000		500,000
St. Johns metembe secondary School	400,000		600,000.00	1,000,000	1,000,000	-
Nyankanda Secondary School		7,250,000		7,250,000	7,250,000	-
Kenyoro Secondary school			190,000.00	190,000		190,000
Kiarenii secondary school	600,000			600,000	600,000	-

**Kitutu Chache North Constituency
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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Nyansakia Secondary School	7,500,000		800,000.00	8,300,000	7,500,000	800,000
Kiareni Secondary School	7,500,000			7,500,000	7,500,000	-
Rioma Secondary School	7,500,000		1,500,000.00	1,500,000		1,500,000
Sensi Secondary School				7,500,000	7,500,000	-
St. Monica Girls Marani Secondary School		939,597	10,403.00	950,000		950,000
Tambacha Secondary School	7,500,000		240,000.00	240,000		240,000
Mesaria Secondary School	500,000		300,000.00	7,800,000	7,500,000	300,000
Nyabworoba Secondary School				500,000	500,000.00	-
Total	37,400,000	8,189,597	30,988,879	76,578,476	68,810,000	7,768,476
9.0 Tertiary institutions Projects						
Riragia technical and vocational institute	1,000,000			1,000,000	1,000,000	-
Total	1,000,000			1,000,000	1,000,000	
10.0 Security Projects						
MetembeChiefs' Office	1,500,000			1,500,000	1,500,000	-
Kegogi AP line	1,200,000			1,200,000	1,200,000	-
Bumburia Administration Police Line	500,000		900,000	1,400,000	500,000	900,000
Gesiaka Administration PoliceLine	400,000		400,000	800,000	189,000	611,000

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Marani Deputy County Commissioner's Residence	2,500,000		1,000,000	3,500,000	3,500,000	-
Mwakibagendi Chief's Office			300,000	300,000		300,000
Mwagichana Chief's Office			600,000	600,000		600,000
Kionganyo Chiefs Office			300,000	300,000		300,000
Matongo Chief's Office			500,000	500,000		500,000
Megogo Chief's Office			300,000	300,000		300,000
Rioma Police Station			500,000	500,000		500,000
Total	6,100,000	-	4,800,000	10,900,000	6,889,000	4,011,000
11.0 Acquisition of assets						
Purchase of Furniture and equipments		500,000		500,000		500,000
Total		500,000		500,000		500,000
12.0 Other payments						
Constituency Innovation Hub		4,677,027		4,677,027		4,677,027
Total		4,677,027		4,677,027		4,677,027
13.0 unallocated fund						
Unapproved projects						
AIA						

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
PMC savings						
Total	137,088,879	27,504,629	47,688,880	212,282,388	180,814,212	31,468,174

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10 June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

*Kitutu Chache North Constituency
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B104860	-	67,867,724
AIE NO. B124575	-	9,000,000
AIE NO. B126467	-	10,000,000
AIE NO. 138878	-	13,000,000
AIE NO. B128153	-	6,900,000
AIE NO. B128466	-	7,000,000
AIE NO. B119912	-	13,000,000
AIE NO. B126172	-	6,000,000
AIE NO. B132210	-	6,000,000
AIE NO. B119522	-	10,000,000
AIE NO. B140610	-	12,000,000
AIE NO. B140961	33,000,000	-
AIE NO. B105482	44,000,000	-
AIE NO. B105827	24,000,000	-
AIE NO. B128572	6,000,000	-
AIE NO. B128884	14,000,000	-
AIE NO. B154081	15,000,000	-
AIE NO. B164419	18,000,000	-
AIE NO. B155855	16,088,879	-
AIE NO. A895068	1,500,000	-
AIE NO. B155976	11,188,879	-
TOTAL	182,777,758	160,767,724

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2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

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

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,486,800	1,728,000
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	63,600	-
Gratuity to contractual employees	518,400	-
Employer Contributions Compulsory national social security schemes	187,200	98,640
Total	2,256,000.	1,826,640

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	2,601,000	-
Utilities, supplies and services	8,900	2,317,970
Communication, supplies and services	57,958	620,000
Domestic travel and subsistence	447,000	444,000
Printing, advertising and information supplies & services	-	560,000
Rentals of produced assets	-	-
Training expenses	790,000	840,000
Hospitality supplies and services	940,000	250,000
Other committee expenses	1,096,000	1,943,930
Committee allowance	2,928,800	2,303,000
Insurance costs	-	-
Specialized materials and services	-	200,000
Office and general supplies and services	2,717,000	-
Fuel , oil & lubricants	1,300,000	-
Other operating expenses	1,802,000	1,512,367
Routine maintenance – vehicles and other transport equipment	150,539	670,684
Routine maintenance – other assets	-	300,000
Total	14,839,197	11,961,951

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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	31,900,000	29,250,000
Transfers To Secondary Schools (See Attached List)	68,810,000	46,400,000
Transfers To Tertiary Institutions (See Attached List)	1,000,000	-
Total	101,710,000	75,650,000

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	25,513,000	38,691,000
Bursary – tertiary institutions (see attached list)	16,450,000	24,132,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	6,889,000	4,300,000
Sports projects (see attached list)	2,764,359	2,702,605
Environment projects (see attached list)	2,749,523	2,735,440
Emergency projects (see attached list)	7,643,133	7,280,960
Total	62,009,015	79,842,005

8. Acquisition Of Assets

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

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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	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>Co-operative Bank, Account No. 01141423029200</i>	29,468,174	27,504,628
Total	29,468,174	27,504,628
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>	-	-

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Total		-	-	-

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Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	27,504,628	36,017,500
Cash in hand	-	-
Imprest	-	-
Total	27,504,628	36,017,500

Notes To The Financial Statements (Continued)

14. Prior Year Adjustments

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

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	518,400
Others (<i>specify</i>)	-	
Total	-	518,400

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	518,213	74,213
Use of goods and services	2,564	1,762
Amounts due to other Government entities (see attached list)	11,568,476	53,878,476
Amounts due to other grants and other transfers (see attached list)	14,201,894	16,062,029
Acquisition of assets	500,000	500,000
Other payments	4,677,027	4,677,027
Funds pending approval		
Total	31,468,174	75,193,507

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	8,023,775	666,142
Total	8,023,775	666,142

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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. Julius Angwenyi	Clerk of Works	01.08.2020	90,000	To be paid at the end of contract.
2. Jared G. Simi	Accounts Clerk	01.08.2020	50,400	To be paid at the end of contract.
3. Joshua Nyariki	Driver	01.08.2020	64,800	To be paid at the end of contract.
4. Lameck Ogembo	Office Secretary	01.08.2020	54,000	To be paid at the end of contract.
5. Evans Omwenga	Clerk	01.08.2020	43,200	To be paid at the end of contract.
6. Judith Kemunto	Clerk	01.08.2020	43,200	To be paid at the end of contract.
7. Samwel Onsongo	Daytime Guard	01.08.2020	43,200	To be paid at the end of contract.
8. Japhet Mose	Messenger	01.08.2020	43,200	To be paid at the end of contract.
9. Dorcas Nyaboke	Clerk	01.08.2020	43,200	To be paid at the end of contract.
10. Edward Mayaka Nyarondia	Messenger	01.08.2020	43,200	To be paid at the end of contract.
Sub-Total			518,400	
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Staff compensation	518,213	74,213	Pending balances
Use of goods & services	Use of goods and services	2,564	1,762	Pending balances
		520,777		
Primary Schools				
Entanda Girls Boarding	Completion of dormitory	600,000	900,000	Late disbursement
Gesangora Primary School	Completion of one classroom	-	600,000	Late disbursement
Isanta primary school	Completion of administration block	-	300,000	Late disbursement
Nyakome primary school	Construction of one classroom	-	600,000	Late disbursement
Rikenye primary school	Renovation of one classroom	100,000	100,000	Late disbursement
Maroma primary school	Renovation of one classroom	-	100,000	Late disbursement
Eramba primary school	Construction of one classroom	-	500,000	Late disbursement
Nyamwanga primary school	Renovation of one classroom	-	100,000	Late disbursement
Kiamogore primary school	Renovation of one classroom	-	100,000	Late disbursement
Nyansaga primary school	Renovation of one classroom	50,000	350,000	Late disbursement
Sensi primary school	Renovation of one classroom	-	500,000	Late disbursement
Engotogoti primary school	Renovation of one classroom	150,000	250,000	Late disbursement
Nyabworoba primary school	Renovation of one classroom	-	500,000	Late disbursement

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	classroom			
Nyakeiri primary school	Renovation of one classroom	-	300,000	Late disbursement
Mesaria primary school	Renovation of one classroom	250,000	850,000	Late disbursement
Omoenga primary school	Construction of one classroom	-	500,000	Late disbursement
Nyagesenda primary school	Construction of administration block	500,000	500,000	Late disbursement
Rioma primary school	Renovation of one classroom	-	300,000	Late disbursement
Getionko 1 Primary School	Renovation of one classroom	500,000	500,000	Late disbursement
Metembe primary school	Renovation of one classroom	-	100,000	Late disbursement
Nyansakia special School	Renovation of one classroom	-	400,000	Late disbursement
Ngokoro primary	Renovation of one classroom	100,000	100,000	Late disbursement
Tambacha primary school	Renovation of one classroom	100,000	100,000	Late disbursement
Riragi primary School	Renovation of one classroom	-	500,000	Late disbursement
Kenyoro primary school	Renovation of one classroom	-	100,000	Late disbursement
Eronge primary school	Renovation of one classroom	-	100,000	Late disbursement
Motonto primary school	Renovation of two classrooms	-	500,000	Late disbursement
Samogara Primary School	Construction of toilets	400,000	100,000	Late disbursement
Nyankanda Primary School	Completion of administration block	50,000	950,000	Late disbursement
Itibo Boys Primary Boarding	Construction of dormitory	-	500,000	Late disbursement

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Nyakeyo Primary School	Construction of one classroom	-	400,000	Late disbursement
Monyerero Primary School	Construction of one classroom	-	500,000	Late disbursement
Masakwe Primary School	Completion of administration block	500,000	1,500,000	Late disbursement
nyakenogo Primary School	Renovation of two classrooms	-	500,000	Late disbursement
Maagonga Resource Centre	Construction of resource centre	500,000	500,000	Late disbursement
Totals		3,800,000	14,700,000	
Secondary Schools				
Nyasore secondary	Completion of a laboratory	500,000	500,000	Late disbursement
St Monica Girls Marani secondary school	Completion of dormitory	950,000	950,000	Late disbursement
Geturi secondary school	Completion of classroom	300,000	300,000	Late disbursement
Nyakeiri secondary school	Renovation of administration block	-	600,000	Late disbursement
Mesaria secondary school	Completion of administration block	300,000	300,000	Late disbursement
Nyagesenda secondary school.	School bus balances	75,976	75,976	Late disbursement
Rioma secondary school	Construction of dormitory	1,500,000	1,500,000	Late disbursement
Engoto secondary school	Completion of library	-	500,000	Late disbursement
Metembe secondary school	Renovation school houses	-	600,000	Late disbursement
Nyakoora secondary school	Balance school bus	2,500	502,500	Late disbursement
Kenyoro secondary school	Completion of dormitory	190,000	190,000	Late disbursement
Ngenyi girls' secondary school	Construction of a dormitory	500,000	500,000	Late disbursement
Itibo boys secondary	Completion of classroom	100,000	100,000	Late disbursement
Nyansakia Secondary School	Construction of a dining	800,000	800,000	Late disbursement

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	hall			
Nyakeyo Secondary School	Purchase of school bus	450,000	7,950,000	Late disbursement
Mosocho Secondary School	Purchase of school bus	-	7,250,000	Late disbursement
Engoto Secondary School	Purchase of school bus	500,000	7,250,000	Late disbursement
Eramba Secondary School	Final payment for purchase of school bus	40,000	7,250,000	Late disbursement
Entanda Secondary School	Final payment for purchase of school bus	100,000	100,000	Late disbursement
Nyagoto Secondary School	Construction of school dining hall	500,000	500,000	Late disbursement
Manyansi Secondary School	Final payment for School Bus	240,000	740,000	Late disbursement
Gamba Secondary School	Final payment for School Bus	240,000	240,000	Late disbursement
Tambacha Secondary School	Final payment for School Bus	240,000	240,000	Late disbursement
Nyakome Secondary School	Final payment for School Bus	240,000	240,000	Late disbursement
Total		7,768,476	39,178,476	
Sub-Total			53,878,476	
Amounts due to other grants and other transfers				
Bursary	Bursary Secondary	229,769	110,651	Late disbursement
Bursary	Bursary Tertiary	1,533,398	6,274,398	Late disbursement
Social Security	To cater for NHIF	8,065,187	4,033,187	Late disbursement
Total		9,828,354	10,418,236	
Sports	Sports Activities	33,106	55,568	Late disbursement
Emergency	Emergency Projects	330,843	781,768	Late disbursement

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Environment	Environment Projects	(1,408)	6,338	
Security				
Mwakibagendi chief's office	Completion of chief's office	300,000	300,000	Late disbursement
Gesieka AP line	Completion of A.P Line	611,000	400,000	Late disbursement
Mwagichana chief's office	Completion of chief's	600,000	600,000	Late disbursement
Marani D.C.C.'s Residence	Completion of D.C. C's Residence	-	1,000,000	Late disbursement
Kiong'anyo chief's office	Completion of chief's office	300,000	300,000	Late disbursement
Bumburia AP line	Completion of AP Line	900,000	900,000	Late disbursement
Matongo chief's office	Construction of chief's office	500,000	500,000	Late disbursement
Megogo chief's office	Completion of chief's office	300,000	300,000	Late disbursement
Rioma Police Station	Purchase of furniture	500,000	-	
Sub-Total		4,011,000	4,300,000	
Totals		14,330,894	15,561,910	
Acquisition of assets	Purchase of furniture and equipment	500,000	500,000	Late disbursement
Others (specify)		-	-	
Constituency Innovation Hub	Installation of CIH	4,677,027	4,677,027	To be re-allocated
Sub-Total		5,177,027	5,177,027	
Funds pending approval				
Grand Total		31,468,174	74,693,388	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	-	-	-	-
Buildings and structures	15,816,348	-	-	15,816,348
Transport equipment	6,150,000	-	-	6,150,000
Office equipment, furniture and fittings	3,293,130	-	-	3,293,130
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	25,259,478	-	-	25,259,478

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

PMC	Bank	Account number	Date Account was opened	Bank Balance 2021/22	Bank Balance 2020/21
Engoto PAG Mixed Sec. Sch	Co-operative Bank	01141018453200	16.10.2018	6,997	134,045
Engotogoti DOK Pri. Sch	Co-operative Bank	01139017521202	22.02.2017	307,573	5573
Eramba Mixed Sec. Sch	Co-operative Bank	01141019667700	12.09.2018	304,723	3327
Eronge DEB Primary Sch	Co-operative Bank	01117671429200	06.04.2017	304,788	1440
Gesangero DOK Pri Sch	Co-operative Bank	01141017082700	30.04.2019	602,695	2075
Gesieka AP Line	Co-operative Bank	01109671377900	08.03.2017	400,662	2975
Getionko I DEB Primary Sch	Co-operative Bank	01141017519700	06.03.2019	423,786	10793
Joram Asanyo Mixed Sec. Sch	Co-operative Bank	01141018012000	19.09.2018	1,001,437	1155
Kenyo Sec. Sch	Co-operative Bank	01100423997900	19.09.2012	605,522	5521
Magena DEB Primary Sch	Co-operative Bank	01117017070201	10.10.2016	301,411	3506
Marani DOK Primary Sch	Co-operative Bank	01117017522300	05.01.2004	2,803	1257
Masakwe Primary Sch	Co-operative Bank	01141477215200	21.02.2017	555	1485
Megogo Chief's Office	Co-operative Bank	01109808540100	20.11.2018	2,121	303,490
Mesaria Mixed Sec. Sch	Co-operative Bank	01100296797100	28.09.2012	1,948	0
Mesaria Primary School	Co-operative Bank	01117017073600	17.10.2003	1,264	3557
Monyerero PAG Primary Sch	Co-operative Bank	01141423995600	20.09.2018	611,800	12,800
Mwakibagendi West Chief's	Co-operative Bank	01109671146600	29.09.2016	665	1620

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PMC	Bank	Account number	Date Account was opened	Bank Balance 2021/22	Bank Balance 2020/21
Office					
Nyabworoba Secondary Sch	Co-operative Bank	01141017800800	28.09.2018	4,547	168,597
Nyamokenye DEB Primary Sch	Co-operative Bank	01117017075401	06.03.2017	534	1315
Nyamwanga DOK Pri. Sch	Co-operative Bank	01117018195900	06.08.2009	1,498	1612
Nyandiba DEB Primary Sch	Co-operative Bank	01117017075101	13.04.2017	403,838	0
Nyangonyi ELCK Sec Sch	Co-operative Bank	01100019097601	15.11.2021	997,550	0
Nyankanda DOK Primary Sch	Co-operative Bank	01117423532000	11.04.2017	4,780	0
Nyansakia PAG Mixed Sec Sch	Co-operative Bank	01117018527200	07.03.2017	12,067	0
Nyasore SDA Primary Sch	Co-operative Bank	01117017522002	30.09.2016	401,455	0
Omoenga Primary Sch	Co-operative Bank	01141670765300	11.10.2018	601,816	0
Ragogo DEB Primary Sch	Co-operative Bank	01117017519801	06.04.2017	404,075	0
Rikenye DOK Primary Sch	Co-operative Bank	01117017519501	04.04.2017	1,449	0
Rioma Mixed Sec Sch	Co-operative Bank	01139017848803	01.10.2019	1,268	0
Sensi SDA Primary Sch	Co-operative Bank	0114107521100	10.07.2020	301,325	0
Tambacha COG Sec Sch	Co-operative Bank	01139017466105	10.10.2019	6,825	0
Total				8,023,775	666,142

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Annex 6: Progress On Follow Up of Auditor Recommendations

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


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.Cash and cash equivalent	Bank balance as at 30 th June 2017 amounted Kshs.20,829, 385.50 as at 30 th June 2017 However, a review of bank reconciliation statements reflects a cash book balance of Kshs.15,783,015.95 leading to un reconciled difference of Kshs. 5,046,369.55. Further, the reconciliation statement includes several unrepresented stale cheques amounting to Kshs.2,129,499 that were issued in the financial year under review and prior years that had not been reversed in the cashbook.	The Cash Book balance at the end of the 2016/2017 financial year was Ksh. Kshs.20,829,385.50 as reported in the Financial Statements, this is supported by both Cash Book and June 2017 Bank Reconciliation Statement. We noted that Bank Reconciliation initially submitted was erroneous. We hereby forward the correct Bank Reconciliation as at 30 th June 2017. On the issue of unrepresented cheques, we would like to state that most of them relate	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)
2.Payment Not Adequately Supported	Included in the use of goods and services balance of Ksh.8,608, 829 is amount of Kshs. 1500,000 other committee allowances out of which Kshs.940,000 was spent in various activities which were not adequately supported by necessary reports	to bursary issued to various institution but had not been presented, since these cheques are now stale the committee has directed the Sub County Accountant to reverse the cheques for new allocation and payments. The committee has made a minute resolution to reverse all stale cheques immediately.	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)
3.Project Expenditure Returns	The Constituency Development Committee disbursed a total of Kshs.44, 229, 312 being transfers to other Government units in the year under review. However disbursement totaling Kshs.1, 300, 000 to two primary schools and a secondary school did not agree with schedules submitted for audit review totaling Kshs,923,770.The resultant variance of Kshs.376,230 has not been reconciled or explained.	We are following up with the schools to account for Kshs.376, 230 and since head teachers are currently in Mombasa for the annual (Kenya Primary Schools Heads Association) KEPSHA meeting they have now promised to provide the documents once they arrive. Once we receive the documents we will avail them to your office.	Resolved	

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 Edwin K. Rutto
 Fund Account Manager.