

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 AUG 2024	DAY: Afternoon
TABLED BY:	Deputy Leader of Majority Party
CLERK-AT THE TABLE:	Benson Inzoga

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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**



UGUNJA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

- NGCDF-National Government Constituency Development Fund
- PFM-Public Finance Management
- IPSAS-International Public Sector Accounting Standards.
- PMC-Project Management Committee
- FY-Financial Year
- NGCDB- National Government Constituency Development Fund Board
- NGCDFC- National Government Constituency Development Fund Committee
- ARMC-Audit and Risk Management Committee
- IPSAS-International Public Sector Accounting Standards

II. 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 2022. 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 UGUNJA Constituency NGCDF day-to-day management is under the following key organs:

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

UGUNJA Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Dr. Boaz Omondi Odeyo, PhD
2.	Sub-County Accountant	Lazaro Adhu
3.	Chairman NGCDFC	Bernard Omollo Werre
4.	Member NGCDFC	Rose Atieno Ochieng

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of UGUNJA 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.

(d) UGUNJA Constituency NGCDF Headquarters

P.O. Box 212 -40606, UGUNJA
NG-CDF Building
Opposite Nyasanda Primary School
Ugunja, KENYA

(e) UGUNJA Constituency NGCDF Contacts

Telephone: (254) 738 553 894
E-mail: cdfugunja@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) UGUNJA Constituency NGCDF Bankers

Equity Bank A/C NO. 0970261942309

Siaya Branch

P.O.Box 75105

Siaya

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

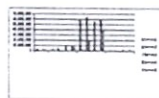
III. NG-CDFC Chairman's Report



Benard Omollo Werre
NG-CDFC CHAIRMAN
UGUNJA CONSTITUENCY

In the financial year 2022/2023 the constituency had a total budget of Ksh. 144,135,586 Against Actual expenditure of Ksh.69, 957,709 as analyzed as follows representing 48.5% Absorption rate as reflected in the appropriation account.

Final budget in relation to expenditures



• Emerging issues related to the NG-CDF

Entrenching NG-CDF in the new constitutional dispensation , since it is facing a lot of legal challenges hence Members of parliament should enact legislations which do not contravene the constitution in order to protect the NGCDF.

Implementation Challenges and Recommended Way forward

- Delayed disbursement of funds leads to inflated project costs due to the time value of money and also delayed implementation of projects a good example is the late disbursement of bursary funds and project funds , to remedy this, funds must be disbursed by the CDF board in time.
- Frequent development forums and awareness forums should be held to intuit the public with information concerning the development initiatives , from various

funding agencies and stakeholders and CDF, County government and other development stakeholders plan together to avoid duplication of projects .

- Lack of a simple but standardized practical curriculum for training PMC's in order to enhance their capacity to implement the projects ; hence PMC training manual should be operationalized.
- The NG-CDF Act and the constitution limit the operations of NG-CDF to Education and National security functions , leaving out all devolved functions.

Despite the achievements mentioned above, NGCDFC experienced the following challenges:

1. Most projects could not commence due to untimely disbursement of funds and subsequent delayed formation of PMCs

Key achievements for Ugunja NG-CDF

- By equal distribution of funds to all constituents to fight poverty and ensuring regional balance.
- In the Education sector, NGCDF funding has aided in ensuring that infrastructure in schools is improved and that students are able to learn in conducive environment , a move that has seen students retained in schools and thus performance has been improved.

Below are pictures of various projects done as indicators of our achievements:

PROJECT NAME: DR.IDA ODINGA GIRLS SECONDARY SCHOOL

ACTIVITY: Completion of 200 students Capacity Dining Hall and Kitchen by Plastering and Painting Works



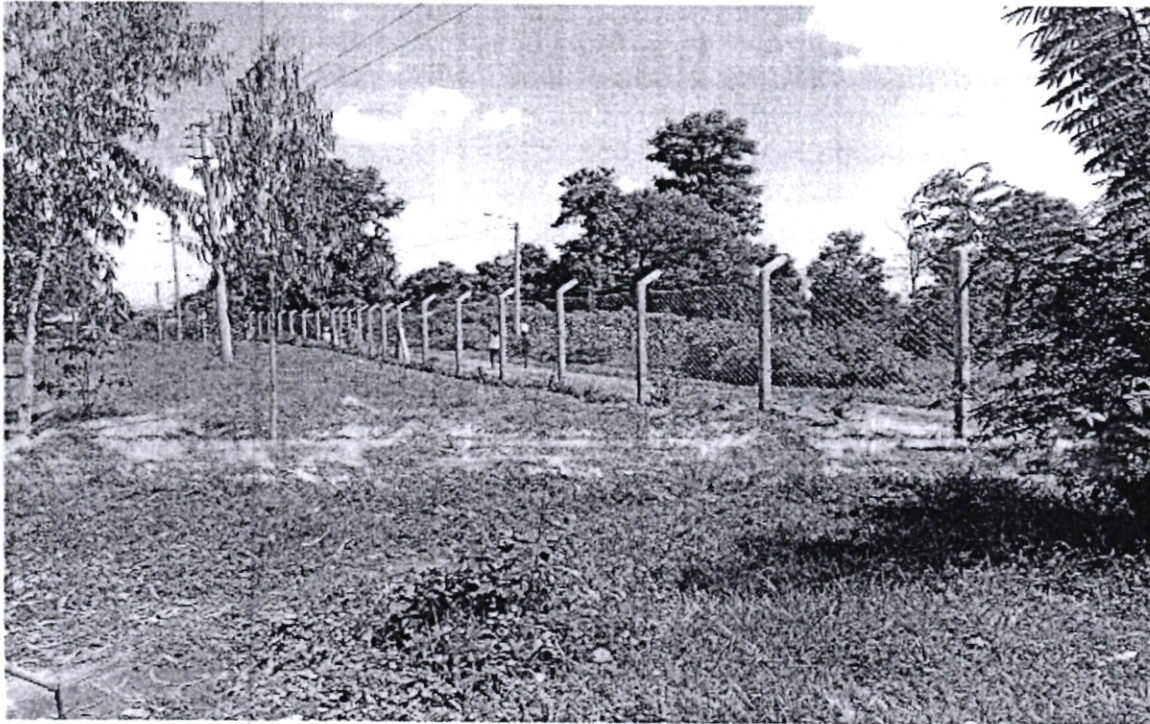
UGUNJA Constituency

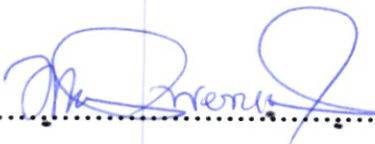
National Government Constituencies Development Fund (NGCDF)

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PROJECT NAME: UGUNJA TECHNICAL AND VOCATIONAL TRAINING COLLEGE

ACTIVITY: Fencing to Completion of 5 acre Land with Concrete poles , Chain link and Installation of Steel Gate





Name: Bernard Omollo Werre
CHAIRMAN NGCDF COMMITTEE

IV. Statement of Performance against Predetermined Objectives for FY 2022/2023

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 *UGUNJA Constituency 2022-2027 plan* are to:

- a) To promote value addition in agricultural activities.
- b) To boost scholarship and effective participation of the community through capacity building.
- c) To stimulate structural development, conservation of the environment and socioeconomic development.
- d) To inspire a healthy population to increase productivity and employment opportunities through entrepreneurship.
- e) To promote transparency and accountability through project impact analysis and proper monitoring and evaluation.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 22/23 -we have completed the construction of 10 door four door pit latrines, 1 Concrete pole fence, 1 Dining Hall and construction of 2 Staff houses. - We had disbursed Bursary to over 4000 beneficiaries in

UGUNJA Constituency

National Government Constituencies Development Fund (NGCDF)

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				both secondary and universities.
Security	To increase security administration services fastened	Increased security in the community and harness good behaviors of the members of the community	-number of usable police stations constructed.	We constructed a total 1 police Post.
Environment	To conserve the environment and beautify it	Increased number of trees within government institutions	Tree planting in the institutions were done and trees survived	We planted tree seedlings in 1 government institutions.
Sports	To empower youths to identify their talents.	Youths have a source of income thus reducing dependency and crime.	Number of groups have benefited from tournaments organized by the entity	We supported 25 teams by providing uniforms and balls.

V. Statement of Governance

The Constituencies Development Fund (CDF) was established through an Act of the Kenyan Parliament in the Year 2003 and in the year 2015 the whole Act was repealed giving birth to the National Government Constituency Development Fund Act. The Fund is distributed to each of the 290 Parliamentary Constituencies for the purposes of the fund to address socio-economic development of the people at the Constituency level.

The fund is allocated a minimum of 2.5% of all Government Ordinary Revenue collected in every financial year for distribution by the NG-CDF Board to each of the 290 Constituencies Equitably.

Ugunja Constituency Development Fund is currently composed of 10 members, 2 Men's reps, 2 Women's Reps, 1 Male Youth, 1 Female Youth, 1 Person with Disability, One NG-CDF Board Co-opted member, The Deputy County Commissioner and The NG-CDF Fund Account Manager.

PROCESS OF APPOINTMENT OF NG-CDFC

The process of appointment of NG-CDFC is done as follows;

- Formation of selection panel
- Production of an advert
- Selection panel sits and does short listing of applicants using availed criteria
- The selection panel then conducts interviews of the shortlisted applicants
- Successful applicants are identified
- Successful applicants with their credentials are forwarded to NG-CDF Board for Gazetement

ROLES OF NG-CDFC

The roles and functions of NG-CDFC are as follows; -

- Build the capacity of project management committees and Committee.
- Sensitize the Community on the operations of the Fund;
- Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;
- Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016
- Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- Ensure that all projects receive adequate funding and are completed within three years;
- where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board

INDUCTION AND TRAINING OF NG-CDFC

In the financial year 2022-2023 the NG-CDF Board organized an induction and training for the gazetted National Government Constituency Development Fund Committee members in Eldoret from 20th April, 2023 to 24th April, 2023.

During the training conducted by the board, members were trained on their roles in relation to management of the NG-CDF Act.

Members were also informed on the policy of engaging themselves on conflicts of interest in the award of tenders and bursaries and there was a follow up of the same on NG-CDFC meetings.

RISK MANAGEMENT

During the training conducted by the Board, members were taken through risk management issues that will enable them manage risk at the constituency level. Risk management is an integral part of good governance and best management practice at the constituency.

The committee during the training were also informed that the risk Policy affirms the NG-CDF commitment of building a risk culture that encourages deliberate and proactive risk management in a manner and at intervals commensurate with the NG-CDF strategies. Examples of Risk identified and the management responses are as follows:

NO	RISK	MANAGEMENT
1.	Embezzlement of Project Funds	-Ensuring that a project management committee consisting of five people is formed and for any payment to be made, a meeting must be held to approve any payment pertaining the project. -There must be three mandatory signatories to the project Management Committee account of which one of them is the Fund Account Manager.
2.	Failure to attend NG-CDFC meeting by the committee members	-The fund Account Manager must always ensure that in every meeting, an attendance sheet is signed by all the committee members present that will be used during payment of NG-CDFC allowances.

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MEMBERS RENUMERATION AND ATTENDANCE

In the financial year 2022-2023 members were paid allowances totalling to Kshs. 1,712,140.00 According to the following schedule-

MEMBER NAME	DESIGNATION	01/12/2022	09/01/2023	12/01/2023	10/02/2023	22/02/2023	23/02/2023	24/02/2023	31/03/2023	18/04/2023	18/05/2023	29/06/2023
DAZ Nondi Ieyo	F.A.M	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ine piyo	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
kadius Agola	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ine both	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
se ieno chieng	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
wrenc chieng mwala	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ilton vilip daye	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
enard mollo erre	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
elix atakil	DCC	✓	○	○	○	○	○	○	○	○	○	○
dward aweru aranja	ACC	○	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
lartha chieng duor	Member	○	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
eatrice chieng laka	Member	○	○	✓	○	○	○	○	○	○	○	○
redrick waya	Member	○	○	✓	○	○	○	○	○	○	○	○

om asike	RC	○	○	✓	○	○	○	○	○	○	○	○
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ETHICS AND CONDUCT

During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of management of fund.

REMOVAL OF NG-CDFC MEMBERS

A member of the NG-CDFC may be removed from the office on any one or more of the following: -

- Lack of integrity
- Gross misconduct
- Embezzlement of public funds
- Bringing the committee into disrepute through unbecoming personal public conduct
- Promoting unethical practices
- Causing disharmony within the committee
- A physical or mental infirmity
- Failure to maintain proper records of minutes of meetings, committees accounting documents and other records of a project
- Failure to prepare and file returns with a Constituency Committee as required
- Misappropriation of funds
- Any other justifiable cause.

ACCOUNTABILITY.

Ugunja NG-CDF is subject to external oversight through a number of mechanisms and has developed its own internal processes to ensure that it maintains high levels of accountability.

VI. Environmental and Sustainability Reporting

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

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

intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

We invest in providing the best working environment for our employees. UGUNJA constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. UGUNJA constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

UGUNJA NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

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

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

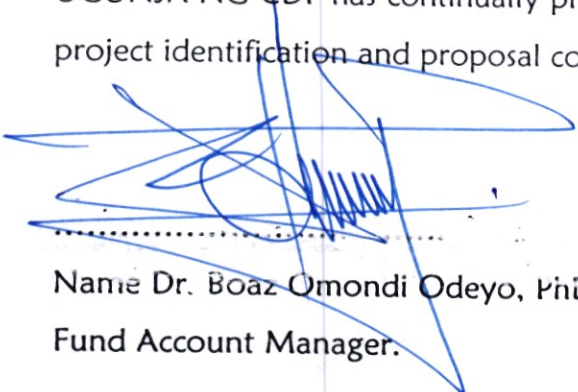
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The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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



Name Dr. Boaz Omondi Odeyo, PhD
Fund Account Manager.

VII. 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-UGUNJA 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, 2023. 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-UGUNJA 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- UGUNJA 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.

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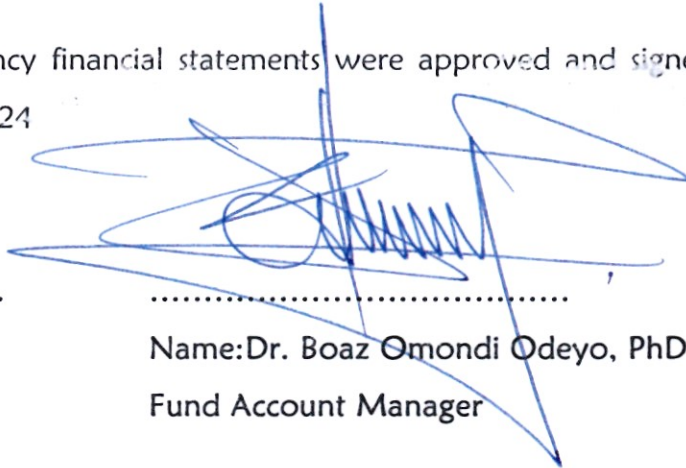
The Accounting Officer in charge of the NGCDF UGUNJA Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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-UGUNJA Constituency financial statements were approved and signed by the Accounting Officer on: 21st May, 2024



.....
Name: Bernard Omollo Werre
Chairman – NGCDF Committee



.....
Name: Dr. Boaz Omondi Odeyo, PhD
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - UGUNJA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 Constituency Development Fund - Ugunja Constituency set out on pages 1 to 42, which

comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position as at 30 June, 2023 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unexplained Variance in Receipts

The statement of receipts and payments reflects transfers from NGCDF Board amounting to Kshs.97,500,000 and as disclosed in Note 1 to the financial statements. Review of the Fund's bank statement for the year revealed a total of Kshs.93,000,000 was received resulting to unexplained variance of Kshs.4,500,000.

In the circumstances, the accuracy and completeness of receipts totaling Kshs.97,500,000 could not be confirmed.

2. Non-Disclosure of Staff Gratuity

The statement of assets and liabilities and Note 14B to the financial statements reflects a Nil balance in respect to gratuity. Review of employee costs and analysis of the staff payroll indicated gratuity amounting to Kshs.602,640 for the year under review which was held on behalf of the employees and payable at the end of the contract period. However, this amount was not disclosed as a payable in the statement of assets and liabilities. In addition, Management had not transferred this amount to a deposit account for holding third parties' money as required by Section 12(1A) of the National Government Constituencies Development Fund, 2015 (Amended 2022).

In the circumstances, the accuracy and completeness of gratuity could not be confirmed.

3. Variances in Budget Amounts

The summary statement of appropriation reflect total final receipts and expenditure budget of Kshs.144,738,226 which differs with the budget approved by the Board amount of Kshs.138,342,462 resulting to unexplained difference of Kshs.6,395,764.

In the circumstances, the accuracy and completeness of the budget 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 – Ugunja Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.144,738,226 and Kshs.106,395,764 respectively resulting to underfunding of Kshs.38,342,462 or 26 % of the budget. However, the Fund spent a balance of Kshs.69,957,709 against actual receipts of Kshs.106,395,764 resulting to an under-utilization of Kshs.36,438,055 or 66%.

The under-funding and under-utilization of funds affected the planned activities and may have impacted negatively on service delivery to the public.

2. Late Disbursement of Funds

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from NG-CDF Board amounting to Kshs.97,500,000. However, the Fund did not receive funds in the first quarter of the financial year. In addition, the first disbursement of Kshs.7,000,000 was received in the second quarter and was below the twenty-five (25) percent of the annual allocation or Kshs.36,033,897 required to be disbursed at the beginning of the first quarter. This was contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which requires that the disbursement of funds to the constituency fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the annual allocation for the constituency.

In the circumstances, the intended plans of the Fund Management may not have been met and projects were not implemented as planned.

My opinion is not modified in respect of these matters.

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

Unresolved Prior Year Matters

In the audit of the previous year, several matters were raised on Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management indicated that the issues have been resolved under progress and follow up of auditor recommendation in Annex 6 to the financial statements, audit review in March, 2024 revealed that most of these issues had not been addressed.

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 and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections 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. Incomplete Works at Dr. Ida Odinga Girls Secondary School Asango

The statement of receipts and payments reflects an amount of Kshs.18,043,289 in respect of transfers to other government units which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.13,904,410 transferred to secondary schools. Review of records reflects that the transfers related to disbursements to Dr. Ida Odinga Girls Secondary School Asango for funding of various projects in the School. Out of this amount, Kshs.5,440,000 was for construction of a dining hall and a kitchen to completion while Kshs.1,514,000 was for purchase of a steel boiler. The works that were to be done included structure walling, roofing, tiling of kitchen, ceiling, electrical works, plumbing and drainage works, installation of 2500ltr water tank and metallic tower, soak pit, kitchen chimney and painting to completion. However, during physical inspection of the project in March, 2024 revealed the following inadequacies:

- (i) The contractor had not installed a 2500ltr water tank and its metallic tower that had been provided for in the Bill of Quantities yet the works were certified as done as per certificate No.3 and payment for the same was done.
- (ii) The construction works for the chimney were not done instead two metallic pipes sheets were installed in place of the chimney without approval for change of scope.

- (iii) The boiler was yet to be purchased and installed and the school was using a makeshift kitchen while the kitchen had been turned into a staff room and the dining hall into a classroom.

In the circumstances, the benefits which were to be derived from the project works were not achieved and the School did not receive value for the money spent.

2. Unapproved Contract Variation at Got Asimbo Chiefs Office

The statement of receipts and payments reflects other grants and transfers amount of Kshs.40,420,190 which includes Kshs.7,636,190 incurred on emergency projects as disclosed in Note 8 to the financial statements. Out of this, an expenditure, Kshs.350,000 related to construction of four (4) door pit latrine at Got Osimbo Assistant Chief's Office. Review of records revealed a contract variation request of Kshs.192,780 which Management explained that only Kshs.42,000 was approved. However, approval for the variation of the contract was not provided for audit.

In the circumstances, Management may have breached the law by exceeding the limit of twenty five (25%) percent allowable for contract variation.

3. Project Implementation Status

Review of the project implementation status report indicated that six (6) projects were incomplete, five (5) projects were yet to start, while seven (7) projects were still at procurement stage

In the circumstances, the public did not receive benefits from the incomplete and projects not yet started.

4. Un-utilized Project Management Committee Bank balances

Annex 5 to the financial statements reflects PMC bank balances of Kshs.11,659,367. The balance relates to the monies held in the Project Management Committees (PMC) bank accounts at the close of the financial year under review. Further, a review of the Project Implementation Report revealed that projects with a balance of Kshs.3,292,637 had been completed and put to use. However, this balance of unutilized funds had not been returned to the Constituency account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which requires that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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


FCPA Nancy Gatirungu, CBS
AUDITOR-GENERAL

Nairobi

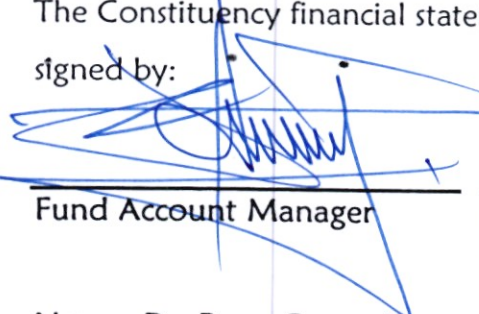
20 May, 2024

IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

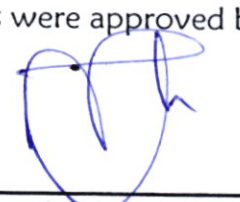
	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	97,500,000	175,777,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		97,500,000	175,777,758
Payments			
Compensation Of Employees	4	2,478,510	2,307,600
Committee expenses	5	1,712,140	3,116,500
Use Of Goods and Services	6	6,721,580	7,971,236
Transfers To Other Government Units	7	18,043,289	76,182,407
Other Grants and Transfers	8	40,420,190	92,654,207
Acquisition Of Assets	9	582,000	-
Oversight Committee Allowances	10	-	-
Other Payments	11	-	-
Total Payments		69,957,709	182,231,950
Surplus/(Deficit)		27,542,291	(6,454,192)

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


The Constituency financial statements were approved by the NGCDFC on 21st May, 2024 and signed by:


Fund Account Manager

Name: Dr. Boaz Omondi Odeyo, PhD


National Sub-County Accountant

Name: Lazaro Adhu
ICPAK M/No:21306


Chairman NG-CDF Committee

Name: Bernard Omollo Werre

*UGUNJA Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

X. Statement of Assets and Liabilities as At 30th June, 20223

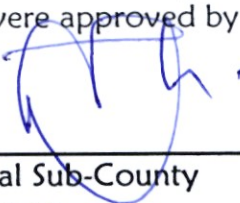
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	36,438,055	8,895,764
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		36,438,055	8,895,764
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		36,438,055	8,895,764
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		36,438,055	8,895,764
Net Financial Assets		36,438,055	8,895,764
Represented By			
Fund Balance B/Fwd	15	8,895,764	15,349,956
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		27,542,291	(6,454,192)
Net Financial Position		36,438,055	8,895,764

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

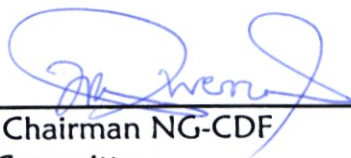
The Constituency financial statements were approved by NG CDFC on 21st May, 2024 and signed by:


Fund Account Manager

Name: Dr. Boaz Omondi
Odeyo, PhD


National Sub-County
Accountant

Name: Lazazo Adhu
ICPAK M/No: 21306


Chairman NG-CDF
Committee

Name: Bernard Omollo
Werre

XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021 2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	97,500,000	175,777,758
Other Receipts	3	-	-
Total Receipts		97,500,000	175,777,758
Payments			
Compensation Of Employees	4	2,478,510	2,307,600
Committee Expenses	5	1,712,140	3,116,500
Use Of Goods and Services	6	6,721,580	7,971,236
Transfers To Other Government Units	7	18,043,289	76,182,407
Other Grants and Transfers	8	40,420,190	92,654,207
Oversight Committee Allowances	10	-	-
Other Payments	11	-	-
Total Payments		69,375,709	182,231,950
Total Receipts Less Total Payments		28,124,291	(6,454,192)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		28,124,291	(6,454,192)
Cash flow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(582,000)	-
Net Cash Flows from Investing Activities		(582,000)	-
Net Increase In Cash And Cash Equivalent		27,542,291	(6,454,192)
Cash & Cash Equivalent At Start Of The Year	15	8,895,764	15,349,956
Cash & Cash Equivalent At End Of The Year	12A	36,438,055	8,895,764

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

The Constituency financial statements were approved by NG CDFC on 21st May, 2024 and signed by:

Fund Account Manager

Name: Dr. Boaz Omondi Odeyo, PhD

National Sub-County Accountant

Name: Lazazo Adhu
ICPAK M/No:21306

Chairman NG-CDF Committee

Name: Bernard Omollo Werre

XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		a	b	c=a+b			
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	30/06/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	131,342,462	8,895,764	4,500,000	144,738,226	106,395,764	38,342,462	
Proceeds From Sale of Assets	-			0	-	-	-
Other Receipts	-			0	-	-	-
Totals	131,342,462	8,895,764	4,500,000	144,738,226	106,395,764	38,342,462	73.4%
Payments							
Compensation Of Employees	3,090,240	912,087	0	4,002,327	2,478,510	1,523,817	61.9%
Committee Expenses	1,975,232	3,394,030	0	5,369,262	1,712,140	3,657,122	31.9%
Use Of Goods and Services	6,755,348	1,083,332	0	7,838,680	6,721,580	1,117,100	85.7%
Transfers To Other Government Units	59,172,028	2,539,029	3,000,000	64,711,057	18,043,289	46,667,768	27.9%
Other Grants and Transfers	57,036,190	385,286	1,500,000	58,921,476	40,420,190	18,501,286	68.6%
Acquisition Of Assets	0	582,000	0	582,000	582,000	-	100.0%
Oversight Committee expenses	1,313,424	0	0	1,313,424	-	1,313,424	0.0%
Other Payments	2,000,000	0	0	2,000,000	-	2,000,000	0.0%
Funds Pending Approval**	-	-	-	-	-	-	-
Totals	131,342,462	8,895,764	4,500,000	144,738,226	69,957,709	74,780,517	48.3%

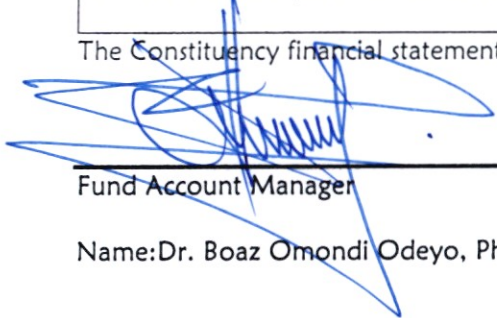
****Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.**

Explanatory Notes.

- (a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. Compensation Of Employees was below 100% because not all the monies were released from the board to the constituency within the financial year
 - ii. Committee Expenses was below 100% because not all the monies were released from the board to the constituency within the financial year
 - iii. Use Of Goods and Services was below 100% because not all the monies were released from the board to the constituency within the financial year
 - iv. Transfers To Other Government Units was below 100% because not all the monies were released from the board to the constituency within the financial year
 - v. Other Grants and Transfers was below 100% because not all the monies were released from the board to the constituency within the financial year

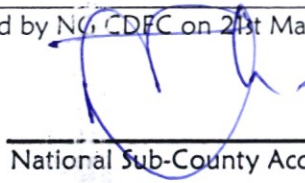
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	74,780,517
Less undisbursed funds receivable from the Board as at 30 th June 2023	38,342,462
	36,438,055
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	36,438,055

The Constituency financial statements were approved by NGCDFC on 21st May, 2024 and signed by:



Fund Account Manager

Name: Dr. Boaz Omondi Odeyo, PhD



National Sub-County Accountant

Name: Lazazo Adhu
ICPAI M/No: 21306



Chairman NG-CDF Committee

Name: Bernard Omollo Werre

XIII. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,090,240	912,087.00	-	4,002,327	2,478,510	1,523,817
1.2 Committee allowances	1,440,000	1,731,790.00	-	3,171,790	1,387,700	1,784,090
1.3 Use of goods and services	3,350,307	329,337.00	-	3,679,644	3,200,244	479,400
Total	7,880,547	2,973,214	-	10,853,761	7,066,454	3,787,307
2.0 Monitoring and evaluation						
2.1 Capacity building	1,062,273	54,827	-	1,117,100	479,400	637,700
2.2 Committee allowances	535,232	1,662,240	-	2,197,472	324,440	1,873,032
2.3 Use of goods and services	2,342,768	699,168.00	-	3,041,936	3,041,936	-
Total	3,940,273	2,416,235	-	6,356,508	3,845,776	2,510,732
3.0 Emergency						
3.1 Primary Schools						
3.11 Daho Primary School	1,500,000	-	-	1,500,000	1,500,000	-
3.12 Sango Primary School	350,000	-	-	350,000	350,000	-
3.13 Suwanga Primary School	350,000	-	-	350,000	350,000	-
3.14 Nyamasare Primary School	1,500,000	-	-	1,500,000	1,500,000	-
3.15 Raduodi Primary School	350,000	-	-	350,000	350,000	-
3.16 Mayingo Primary School	350,000	-	-	350,000	350,000	-

UGUNJA Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects						
3.4.1 Rangala Ass. Chiefs Office	350,000	-	-	350,000	350,000	-
3.4.2 Bugi Police Post	350,000	-	-	350,000	350,000	-
3.4.3 Mungao Assistant Chief Office	350,000	-	-	350,000	350,000	-
3.4.4 Ligea Assistant Chiefs Office	350,000	-	-	350,000	350,000	-
3.4.5 Kirind Police Post	1,136,190	-	-	1,136,190	1,136,190	-
3.4.6 Ruwe Assistant Chief Office	350,000	-	-	350,000	350,000	-
3.4.7 Got Osimbo Assistant Chiefs Office	350,000	-	-	350,000	350,000	-
3.5 Unutilised	-	101,286	-	101,286	-	101,286
Total	7,636,190	101,286		7,737,476	7,636,190	101,286
4.0 Bursary and Social Security						
4.1 Secondary Schools	22,000,000	-	-	22,000,000	22,000,000	-
4.2 Tertiary Institutions	9,000,000	284,000.00	-	9,284,000	9,284,000	-
4.3 Social Security	-	-	-	-	-	-
4.4 Special Needs	2,000,000	-	-	2,000,000	-	2,000,000
Total	33,000,000	284,000	-	33,284,000	31,284,000	2,000,000
5.0 Sports						
5.1 Constituency Tonourment	2,500,000	-	-	2,500,000	-	2,500,000
Total	2,500,000	-		2,500,000		2,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.0 Environment						
6.1 Masamra Primary School	100,000	-	-	100,000	-	100,000
6.2 Mbosie Primary School	100,000	-	-	100,000	-	100,000
6.3 Umina Primary School	100,000	-	-	100,000	-	100,000
6.4 Nyamasare Primary School	100,000	-	-	100,000	-	100,000
6.5 Luoka Primary School	100,000	-	-	100,000	-	100,000
6.6 Ywaya Primary School	100,000	-	-	100,000	-	100,000
6.7 Orao Primary School	100,000	-	-	100,000	-	100,000
6.8 Lwanda Primary School	100,000	-	-	100,000	-	100,000
6.9 Mayingo Primary School	100,000	-	-	100,000	-	100,000
6.10 Simerro Primary School	100,000	-	-	100,000	-	100,000
Total	1,000,000	-	-	1,000,000	-	1,000,000
7.0 Primary Schools Projects (List all the Projects)						
7.1 St. Paskalia Naya Primary School	2,400,000	-	-	2,400,000	-	2,400,000
7.2 Rambula Special School	2,400,000	-	-	2,400,000	-	2,400,000
7.3 Sikalame Primary School	2,000,000	-	-	2,000,000	-	2,000,000
7.4 Ulawe Primary School	2,500,000	-	-	2,500,000	-	2,500,000
7.5 Uref Primary School	1,231,428	-	-	1,231,428	-	1,231,428
7.6 Ukalama Primary School	2,400,000	-	-	2,400,000	-	2,400,000
7.7 Ruwe Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.8 Got Osimbo Primary School	-	150	-	150	-	150

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.9 Lwanda Primary School	-	138,879	-	138,879	138,879	-
Total	14,131,428	139,029	-	14,270,457	138,879	14,131,578
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Dr. Ida Odinga Secondary School, Asango	540,600	-	-	540,600	540,600	-
8.2 Dr. Ida Odinga Secondary School Asango	3,000,000	-	-	3,000,000	1,363,810	1,636,190
8.3 Dr. Ida Odinga Secondary School Asango	4,000,000	-	-	4,000,000	4,000,000	-
8.4 Dr. Ida Odinga Secondary School	2,000,000	-	-	2,000,000	2,000,000	-
8.5 Ambira Secondary School	9,000,000	-	-	9,000,000	0	9,000,000
8.6 St. Edwards Masamra Secondary School	3,500,000	-	0.00	3,500,000	0	3,500,000
8.7 Ukalama Secondary School	-	(600,000)	-	(600,000)	-	(600,000)
8.8 Dr. Ida Odinga Secondary School Asango	-	3,000,000	2,440,000	5,440,000	5,440,000	-
8.9 Dr. Ida Odinga Secondary School Asango	-	-	560,000	560,000	560,000	-
Total	22,040,600	2,400,000	3,000,000	27,440,600	13,904,410	13,536,190
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 Ugunja Technical and Vocational Training College	4,000,000	-	-	4,000,000	4,000,000	-
9.2 Ugunja Technical and Vocational Training College	9,000,000	-	-	9,000,000	-	9,000,000
9.3 Ugunja Kenya Medical Training	10,000,000	-	-	10,000,000	-	10,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
College						
Total	23,000,000	-	-	23,000,000	4,000,000	19,000,000
10.0 Security Projects						
10.1 Yiro East Assistant Chiefs	1,900,000.00	-	-	1,900,000	-	1,900,000
10.2 Asango East Assistant Chiefs Office	3,000,000	-	-	3,000,000	-	3,000,000
10.3 Umala Assistant Chiefs Office	3,000,000	-	-	3,000,000	-	3,000,000
10.4 Uhuyi Assistant Chiefs Office	3,000,000	-	-	3,000,000	-	3,000,000
10.5 Umina Police Post	2,000,000	-	-	2,000,000	-	2,000,000
10.6 Rambula Police Post	-	-	1,500,000	1,500,000	1,500,000	-
Total	12,900,000	-	1,500,000	14,400,000	1,500,000	12,900,000
11.0 Acquisition of assets						
11.1 Photocopier	-	485,000	-	485,000	485,000	-
11.2 Lawn Mower	-	97,000	-	97,000	97,000	-
Total	-	582,000	-	582,000	582,000	-
12.0 Constituency Oversight Committee						
12.1 Committee Allowances	648,000	-	-	648,000	-	648,000
12.2 Use of Goods and Services	200,000	-	-	200,000	-	200,000
12.2 Capacity Building	465,424	-	-	465,424	-	465,424
Total	1,313,424	-	-	1,313,424	-	1,313,424
13.0 Others						

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
13.1 Strategic Plan	2,000,000		0.00	2,000,000.00	0	2,000,000.00
13.2 Innovation Hub	-	-	-	-	-	-
Total	2,000,000	-	-	2,000,000	-	2,000,000
Funds pending approval**	-	-	-	-	-	-
Total	131,342,462	8,895,764	4,500,000	144,738,226	69,957,709	74,780,517

(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

XIV. 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-UGUNJA 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 Equivalent.

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 15th June 2022 for the period 1st July 2022 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.

Significant Accounting Policies Continued

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 2023.

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.

XV. Notes to the Financial Statements

1) Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. A888541	4,500,000.00	
AIE NO. B185284	7,000,000.00	
AIE NO. B185807	15,000,000.00	
AIE NO. B206211	5,000,000.00	
AIE NO. B205628	12,000,000.00	
AIE NO. B185435	6,000,000.00	
AIE NO. B205924	12,000,000.00	
AIE NO. B207704	20,000,000.00	
AIE NO. B207941	16,000,000.00	
AIE NO. B 105404		33,000,000
AIE NO. B 105404		34,000,000
AIE NO. B 105619		34,000,000
AIE NO. B 128728		12,000,000
AIE NO. B 163890		26,000,000
AIE NO. B 154234		26,588,879
AIE NO. B 888512		10,188,879
TOTAL	97,500,000.00	175,777,758

2) Proceeds From Sale of Assets

	2022-2023	2021-2022
	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	-	-

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3) Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

4) Compensation of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,934,850	2,286,000
Personal allowances paid as part of salary		
House Allowance	342,000	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	150,660	-
Employer Contributions Compulsory national social security schemes	51,000	21,600
Total	2,478,510	2,307,600

5) Committee Expenses

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
Sitting allowance	1,387,700	2,464,500
Other committee expenses	324,440	652,000
Total	1,712,140	3,116,500

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6) Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	51,785	69,805
Communication, supplies and services	40,000	73,080
Domestic travel and subsistence	108,800	168,800
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	479,400	1,855,055
Hospitality supplies and services	2,071,635	1,397,090
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,570,113	1,598,040
Fuel, oil & lubricants	1,700,000	1,600,000
Other operating expenses	370,254	643,100
Routine maintenance – vehicles and other transport equipment	265,093	462,266
Routine maintenance – other assets	64,500	104,000
Total	6,721,580	7,971,236

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7) Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	138,879	18,361,121
Transfers To Secondary Schools (See Attached List)	13,904,410	39,821,286
Transfers To Tertiary Institutions (See Attached List)	4,000,000	18,000,000
Total	18,043,289	76,182,407

8) Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,000,000	44,224,000
Bursary – tertiary institutions (see attached list)	9,284,000	20,038,000
Bursary – special schools (see attached list)	-	4,200,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	1,500,000	12,500,000
Sports projects (see attached list)	-	4,500,000
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	7,636,190	7,192,207
Roads projects (see attached list)	-	-
Total	40,420,190	92,654,207

Notes To the Financial Statements (Continued)

9) Acquisition Of Assets

	2022-2023	2021-2022
	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	485,000	-
Purchase of Specialized Plant, Equipment and Machinery	97,000	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets		
Total	582,000	-

10) Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Committee allowances	-	-
Committee expenses	-	-
Total	-	-

11) Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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12) Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023 Kshs (30/6/2023)	2021-2022 Kshs (30/6/2022)
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank Siaya Branch ,A/C no. 0970261942309 , (main account)</i>	36,438,055	8,895,764
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	36,438,055	8,895,764
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13) Outstanding Imprests

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

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Notes to the Financial Statement Continued

14) A Retention

	2022-2023	2021-2022
	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	-	-

14b. Gratuity

	2022-2023	2021-2022
	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	-	-

15) Fund Balance B/F

	(1 st July 2023)	(1 st July 2022)
	Kshs	Kshs
Bank accounts	8,895,764	15,349,956
Cash in hand	-	-
Imprest	-	-
Total	8,895,764	15,349,956
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	-	-

16) Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
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)

17) Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	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	-	-
Net changes in accounts Receivables D - A	-	-

18) Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	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	-	-
Net changes in accounts payables D-A	-	-

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Notes To the Financial Statements (Continued)

19) Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,523,817	912,087
Committee expense	4,305,122	-
Use of goods and services	1,782,524	5,059,362
Amounts due to other Government entities (see attached list)	46,667,768	5,539,029
Amounts due to other grants and other transfers (see attached list)	18,501,286	1,885,286
Acquisition of assets	-	-
Other Payments (strategic plan)	2,000,000	-
Funds pending approval	-	-
Total	74,780,517	13,395,764

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	11659367	22,325,620
Total	11,659,367	22,325,620

XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	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					

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
Compensation of employees		1,523,817	912,087	Implementations in progress
Use of goods & services		6,087,646	5,059,362	Implementations in progress
Amounts due to other Government entities		46,667,768	5,539,029	
Primary Schools				
1. St. Paskalia Naya Primary School	Construction of two classrooms	2,400,000		Board not yet disburse the funds
2. Rambula Special School	Construction of two classrooms	2,400,000		Board not yet disburse the funds
3. Sikalame Primary School	Fencing of the school compound	2,000,000		Board not yet disburse the funds
4. Ulawe Primary School	Construction of administration block	2,500,000		Board not yet disburse the funds
5. Uref Primary School	Renovations of three classrooms	1,231,428		Board not yet disburse the funds
6. Ukalama Primary School	Construction of two classrooms	2,400,000		Board not yet disburse the funds
7. Ruwe Primary School	Construction of one classroom	1,200,000		Board not yet disburse the funds
8. Got Osimbo Primary School	Construction of one classrooms	150	150	Board not yet disburse the funds
9. Lwanda Primary school	Construction of two classrooms		138,879	Project complete and in use
Secondary Schools				
1. Dr. Ida Odinga Secondary School Asango	Construction of staff House	1,636,190		Board not yet disburse the funds
2. Ambira Secondary School	Construction of twin Laboratory	9,000,000		Board not yet disburse the funds
3. St. Edwards Masamra Secondary School	Construction of administration block	3,500,000		Board not yet disburse the funds
4. Ukalama Secondary School	Finishing Of two Classrooms	(600,000)	(600,000)	Funds re-allocated from mocks

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
5. Dr. Ida Odinga Secondary School Asango	Construction of dining hall and kitchen		5,440,000	Project complete and in use
6. Dr. Ida Odinga Secondary School Asango	Purchasing of Beds		560,000	Project complete and in use
Tertiary Institutions				
1. Ugunja Technical and Vocational Training College	Purchasing of College Bus	9,000,000		Board not yet disburse the funds
2. Ugunja Kenya Medical Training College	Construction of Skill lab and Equipping	10,000,000		Board not yet disburse the funds
Amounts due to other grants and other transfers		18,501,286	1,885,286	
Emergency	To cater for unforeseen occurrences	101,286	285,407	Board not yet disburse the funds
Bursary and social security				
1. Bursary Special schools	Payment of Bursary for the needy students	2,000,000		Board not yet disburse the funds
2. Bursary Tertiary Institutions			9,879	
sports				
Constituency Tonourments	Carrying out constituency Tournaments	2,500,000		Board not yet disburse the funds
Environment				
1. Masamra Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
2. Mbosie Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
3. Umina Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
4. Nyamasare Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
5. Luoka Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
6. Ywaya Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
7. Orao Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
8. Lwanda Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
9. Mayingo Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
10. Simerro Primary School	Purchasing of 5,000 tanks and installation plus gutters	100,000		Board not yet disburse the funds
Security Projects				
1. Yiro East Assistant Chiefs	Renovations of the ass. chiefs offices	1,900,000		Board not yet disburse the funds
2. Asango East Assistant Chiefs Office	Construction of the ass. Chiefs offices	3,000,000		Board not yet disburse the funds
3. Umala Assistant Chiefs Office	Construction of the ass. Chiefs offices	3,000,000		Board not yet disburse the funds
4. Uhuyi Assistant Chiefs Office	Construction of the ass. Chiefs offices	3,000,000		Board not yet disburse the funds
5. Umina Police Post	Construction of Armory and 2 holding cells	2,000,000		Board not yet disburse the funds
6. Rambula Police Post	Construction of police post		1,500,000	Project complete and in use
Acquisition of assets				
Others (<i>strategic plan</i>)	Preparation of the strategic plan	2,000,000		Board not yet disburse the funds
Funds pending approval				
Grand Total		74,780,517	13,395,764	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2022/23	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2022/23
Land				
Buildings and structures	15,781,654			15,781,654
Transport equipment		-		
Office equipment, furniture and fittings	1,360,000	-		1,360,000
ICT Equipment, Software and Other ICT Assets	200,000	485,000		685,000
Other Machinery and Equipment	5,581,530	97,000		5,678,530
Heritage and cultural assets		-		
Intangible assets		-		
Total	22,923,184	582,000		23,505,184

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Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance Current FY 2022-2023	Bank Balance Previous FY 2021-2022
LWANDA PIMARY SCHOOL	KCB Ugunja	1118026098	49,119	6,897
SIGOMERE PRIMARY SCHOOL	KCB Ugunja	1170644015		185,062
LUKONGO LUDUHA PRIMARY SCHOOL	KCB Ugunja	1110728271		131,505
GOT OSIMBO PRIMARY SCHOOL	KCB Ugunja	1207232839		502,654
ULHOWE PRIMARY SCHOOL	KCB Ugunja	1138433179		58,837
ULUTHE PRIMARY	KCB Ugunja	1111264007		142,465
SANGO PRIMARY SCHOOL	KCB Ugunja	1110356919	137,270	25,331
MURUMBA YIRO PRIMARY SCHOOL	KCB Ugunja	1133471285		93,785
SIMENYA PRIMARY SCHOOL	KCB Ugunja	1131883772		2,017
GOT OSIMBO GIRLS SEC SCHOOL	KCB Ugunja	1125338725		173,745
NYASANDA COMMUNITY HIGH SCHOOL	KCB Ugunja	1286989787		1,295
DR. IDDA ODINGA GIRLS SEC. SCHOOL ASANGO	KCB Ugunja	1291405631	10,862,452	2,486,695
NGUNYA SECONDARY SCHOOL	KCB Ugunja	1138622982		1,418,493
ULUTHE SEC. SCHOOL	KCB Ugunja	1169645895		211
TINGARE SEC. SCHOOL	KCB Ugunja	1125338512		1,159
MOI ULOMA SEC. SCHOOL	KCB Ugunja	1117215164		200,661
UGUNJA NYS	KCB Ugunja	1277515840		127,829
UGUNJA TTI	KCB Ugunja	1234555808	317,582	221,178

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PMC	Bank	Account number	Bank Balance Current FY 2022-2023	Bank Balance Previous FY 2021-2022
UGUNJA KMTC	KCB Ugunja	1266057285		14,872,131
NINGA PRIMARY SCHOOL	KCB Ugunja	1182460232		115,619
SIJIMBO PRIMARY SCHOOL	KCB Ugunja	1181553936		122,635
SIRANDUMB PRIMARY SCHOOL	KCB Ugunja	1109713320		85,786
ST. PATRICK UGANA PRIMARY SCHOOL	KCB Ugunja	1111471991		59,277
NGOP MISENGNI PRIMARY SCHOOL	KCB Ugunja	1117093093		241,289
ULUMBA PRIMARY SCHOOL	KCB Ugunja			12,234
WANG' OTONG PRIMARY SCHOOL	KCB Ugunja	1139251546		55,882
ST. AUGUSTINE OGEDA SECONDARY SCHOOL	KCB Ugunja	1133642608		31,827
EQUATOR SPECIAL SCHOOL	KCB Ugunja	1134574711		33,924
UGUNJA CONSTITUENCY SPORTS TOURNAMENT	KCB Ugunja	1163914320		265,599
UGUNJA SUB COUNTY ARMOURY	KCB Ugunja	1285923944		57,048
LIGEGA ASSISTANT CHIEF'S OFFICE	FAULU BANK-UGUNJA BRANCH	1012852138	32,554	129,760
MADUNGU ASSISTANT CHIEF'S OFFICE	FAULU BANK-UGUNJA BRANCH	1012352041		128,161
RUWE ASSISTANT CHIEF'S OFFICE	FAULU BANK-UGUNJA BRANCH	1012852017	10537	109,877
RANGALA ASSISTANT CHIEF'S OFFICE	FAULU BANK-UGUNJA	1012851975	70,503	71,835

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PMC	Bank	Account number	Bank Balance Current FY 2022-2023	Bank Balance Previous FY 2021-2022
	BRANCH			
BUGI POLICE POST	FAULU BANK-UGUNJA BRANCH	1012852618	1,972	150,975
UGUNJA POLICE STATION	FAULU BANK-UGUNJA BRANCH	1012851959		972
SIDINDI POLICE STATION	FAULU BANK-UGUNJA BRANCH	101265948		972
DAHO PRIMARY SCHOOL	KCB Ugunja	1110828403	30,344	
MUNGAO ASSISTANT CHIEF OFFICE	KCB Ugunja	1261858514	6,552	
SUWINGA PRIMARY SCHOOL	KCB Ugunja	1170644112	2,102	
NYAMASARE PRIMARY SCHOOL	KCB Ugunja	111761161	1,078	
RADUODI PRIMARY SCHOOL	KCB Ugunja	11082288712	1,158	
KIRIND POLICE POST	FAULU BANK-UGUNJA BRANCH	1014496293		
MAYINGO PRIMARY SCHOOL	KCB Ugunja	1262668662	14,956	
GOT OSIMBO ASSISTANT CHIEFS	KCB Ugunja	1257719122	45,603	
RAMBULA POLICE POST	FAULU BANK-UGUNJA BRANCH	1013989498	75,586	
Total			11,659,367	22,325,622

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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)
	<p>Understated Cash and Cash Equivalent Balances-Stale cheques</p> <p>The statement financial position as at 30 June, 2020 reflect Cash and Cash Equivalents balance of Kshs.752, 889 Disclosed in note 10 to the financial statements. The balance excludes stale cheques amounting to 286,017 which has not been reversed into the cash book as at the time of audit during the month of February, 2020. The management did not provide any explanation why the same had not been written back to the cash book as required. Further the management failed to carry out board of survey for the assets of the funds. Consequently, the accuracy of the cash and cash equivalents balance of ksh. 752,889 as at 30 June, 2020 could not be confirmed.</p>	<p>The stale cheques were as a result of VAT Cheques, PAYE Cheques and Staff Gratuity cheques which have currently been paid. All NG-CDF operates under vote 4 and as a result all the funds allocated to projects remains allocated until the expenditures are incurred. According to section 6(2) of the NG-CDF Act 2015 Amended 2016 Says Once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board. The list of assets was availed to the audit team during audit and they were verified. Attached is bank reconciliation statement for your reference</p>	Resolved	
	other Matter			
	<p>Budgetary control and performance</p> <p>The summary statement of appropriation: recurrent and development combined reflect final receipts budget and actual on</p>	<p>The underspending was as a result of delay in the disbursement of funds from the NG-CDF Board to the constituency and therefore the</p>	Resolved	

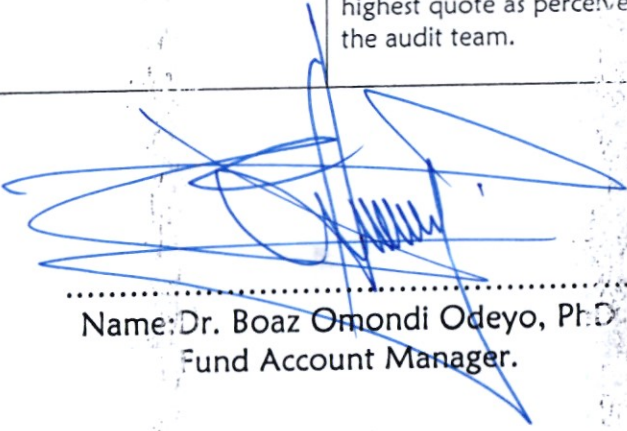
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	<p>comparable basis of Ksh. 194,129,029 and Kshs. 124,753,305 respectively resulting to underfunding of kshs. 69,375,724 or 36% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of kshs. 194, 129,029 and 124,000,416 respectively resulting to under expenditure of Kshs. 70,128,613 or 36% of the budget. Based on approved estimates, underfunding and expenditures affected the planned activities and may have impacted negatively on the service delivery to the public .</p>	<p>management has no control over the under expenditure since they only spends funds which have been disbursed to the constituency</p>		
	<p>other Matter</p>			
	<p>Project Implementation Status A review of the project implimentation status revealed that the fund was to implement a total of Ugunja NG-CDF was to implement a total of fifty seven (57) projects during the year ended 30 June, 2020 with a budget of Kshs.99,319,400. Further analysis indicates that eleven (11) projects valued Kshs.20,864,388 we're ongoing; and forty five (45) projects valued Kshs.71,455.012 were completed and one (1) project valued at Kshs.7,000,000 was not yet started. The non-completion of projects implies that the residents of the constituency did not receive the expected benefits due to one</p>	<p>We want to confirm that eleven (11) projects valued Kshs.20, 864,388 we're ongoing at the time audit because the funding was received after the end of the financial year and currently the progress is okay and a number of them are at the finishing stages. We want to confirm that forty five (45) projects valued Kshs.71, 455.012 were completed, and the Management is pleased with audit remark. We want to confirm that one (1) project valued at Kshs.7, 000,000 which had not yet started had been re-allocated to NYS towards purchasing of 5</p>	<p>Resolved</p>	

	<p>delivery of services.</p> <ul style="list-style-type: none"> • • 	<p>acres piece of land and building of abolition block at Ufunja KMTC other which currently have been implemented and handed over. Attached is the re-allocation code list from the NC-CDF Board for your reference and project pictures for your reference.</p>	
<p>Report on lawfulness in use of public resources</p> <p>Irregular Procurement The statement of receipts and payments reflects the Transfer to other Government Entities of Kshs. 50,200,000 as disclosed in Note 6 to the financial statements. Review of the procurement documents revealed that the fund floated a tender through quotation for the construction of two laboratory at St. Antony Uluthe Secondary school. Four (4) Firms Submitted their bids for the tender. However, during the preliminary mandatory tender Evaluation, none of the bidders was responsive since all of them did not meet the mandatory tender evaluation criteria yet the tender committee proceeded with the evaluation process and awarded the tender to one of the firms on the basis of being the lowest in financial evaluation with the variance of 5.42% between the quoted amounts and the engineers estimate. Further, the fund floated tender through request for quotation for the</p>	<p>We want to confirm that the construction of twin laboratory at uluthe secondary school was being implemented by the project management committee. And the function of NC-CDF committee was to capacity build Project Management committee. After perusal of documents in the project file we would want to confirm that project management committee followed the well laid down procedures in the award of tender to the M/S Sidevent Ltd. The project management committee awarded M/S Sidevent Ltd because the company was the lowest evaluated bidder and not the lowest quote as perceived by the audit team. Attached are tender opening minutes and Evaluation Minutes for your reference. For the construction of a police station at Umina we want to</p>	<p>Resolved</p>	

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	<p>construction of administration police service at Umina. However only two bidders responded to the quotation and based on the scoring matrix for the technical evaluation, None of the two firms meet the required minimum points. The evaluation committee awarded the tender to one of the bidders who was also the highest evaluated bidder. Consequently, the management is in breach of the law</p>	<p>confirm that we had a total of 3 bidders and not 2 bidders bidding for the works which was being implemented by the project management committee. And the function of NGCDF committee was to capacity build Project Management committee. After perusal of documents in the project file we would want to confirm that project management committee followed the well laid down procedures in the award of tender to the M/S Simwot Construction Company. The project management committee awarded M/S Simwot Construction Company because the company was the lowest evaluated bidder and not the highest quote as perceived by the audit team.</p>		
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Name: Dr. Boaz Omondi Odeyo, Ph.D
Fund Account Manager.

