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<b>REPORT</b>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 MAR 2023	DAY: TUESDAY
TABLED BY: <b>OF</b>	The Leader of Majority party (LOM)
CLERK-AT THE TABLE:	Inzogu Mwale

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
WEBUYE EAST CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

2 2 2





National Government Constituencies Development Fund Board  
Webuye East Constituency  
At Webuye East Sub County HQs  
P.O Box 404-50205, WEBUYE  
Tel: ..... | Cell:  
Email: [cdwebuyeeast@ngcdf.go.ke](mailto:cdwebuyeeast@ngcdf.go.ke) | Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

5<sup>th</sup> August, 2022

OUR REF: NG-CDF/WBYEAST/LETTERS/VOL.1/091

The Auditor General

Att. Director – Kakamega Regional Office  
P.O Box 380 – 50100,  
KAKAMEGA



Dear Sirs,

**FINANCIAL STATEMENTS FOR THE YEAR 2020/2021 FINANCIAL YEAR**

Please find attached eight copies of the financial statements of Webuye East NG-CDF for the 2020/2021 financial year for your reference.

Yours Faithfully,

For: NG – CDFC, Webuye East Constituency

MARY G.M. WANJALA – 0724 286 473

**FUND ACCOUNT MANAGER**



Vision: Equitable social-economic development countrywide





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**WEBUYE EAST CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021**

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

***Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021***

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

### **(a) Background information**

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

### **Mandate**

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

To provide leadership and policy direction for effective and efficient management of the Fund

*Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**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 Webuye East Constituency NGCDF day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Mary Gorretti Wanjala
2.	Sub-County Accountant	Mildred Barasa
3.	Chairman NGCDFC	Isaac Munganyi Namusasi
4.	Member NGCDFC	Roselyne Namwatikho Wanyonyi

**(d) Fiduciary Oversight Arrangements**

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

**(a) NGCDF Webuye East Constituency Headquarters**

P.O. Box 404-50205  
NG-CDF office Building  
D.C. CS Compound  
WEBUYE KENYA



**(b) NG-CDF Webuye East Constituency Contacts**

Telephone: (254) 0723747868

E-mail: [webuyeeast@ngcdf.go.ke](mailto:webuyeeast@ngcdf.go.ke)

Website: [www.webuyeeast.go.ke](http://www.webuyeeast.go.ke)

**(c) NGCDF Webuye East Constituency Bankers**

Kenya Commercial Bank

P.O Box 332 -50205,

WEBUYE

**(d) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(e) Principal Legal Adviser**

The Attorney General

State Law Office

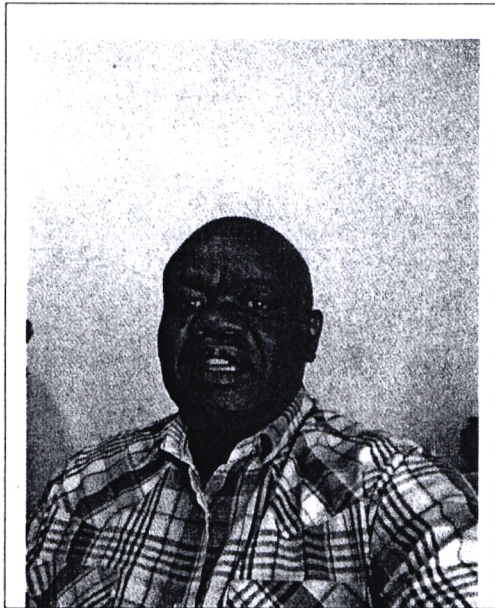
Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

## II. NG-CDFC CHAIRMAN'S REPORT



**ISAAC NAMUSASI MUNG'ANYI  
WEBUYE EAST NG-CDFC CHAIRMAN**

The NGCDFC's wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The constituency was allocated Kshs. 137,088,879.31 in the financial year 2020/2021.

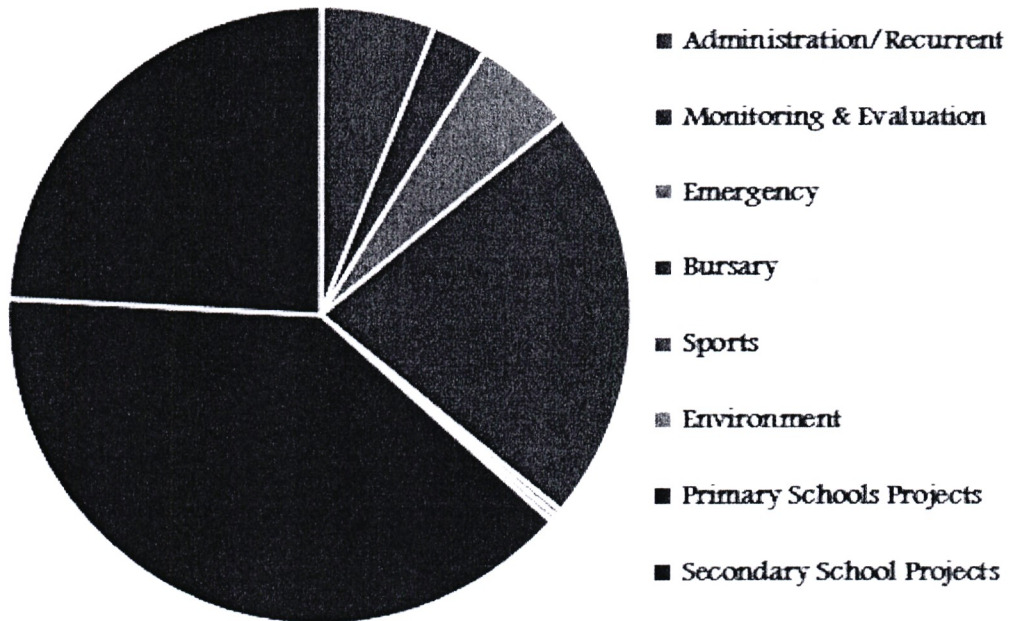
Education programmes were allocated Kshs. 86,829,956 which was 63.3% of the entire budget followed by Bursary schemes at Kshs. 30,000,000 or 21.9% of the total budget. The NG-CDF has improved the Education and Security infrastructures of Webuye East. Literacy levels have gone up as a result of bursary disbursement. Other sectors under consideration included environment and sports.

The constituency successfully completed a total of 27 on-going classrooms and constructed new 22 classrooms and this has ultimately enhanced learning in various institutions in the constituency. In addition, the Constituency managed to purchase land in various schools, construct 2 dormitories, complete 1 dormitory, complete 1 laboratory, complete 1 multipurpose hall and construction 12 door pit latrine.

However, there have been emerging issues like political, economic, social, legal and global challenges such as the COVID-19 Pandemic, which have negatively influenced the implementation of NG-CDF Projects. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals and resubmissions.

The NG-CDFC notes that there was involvement of the public in project Identification which increased project ownership.

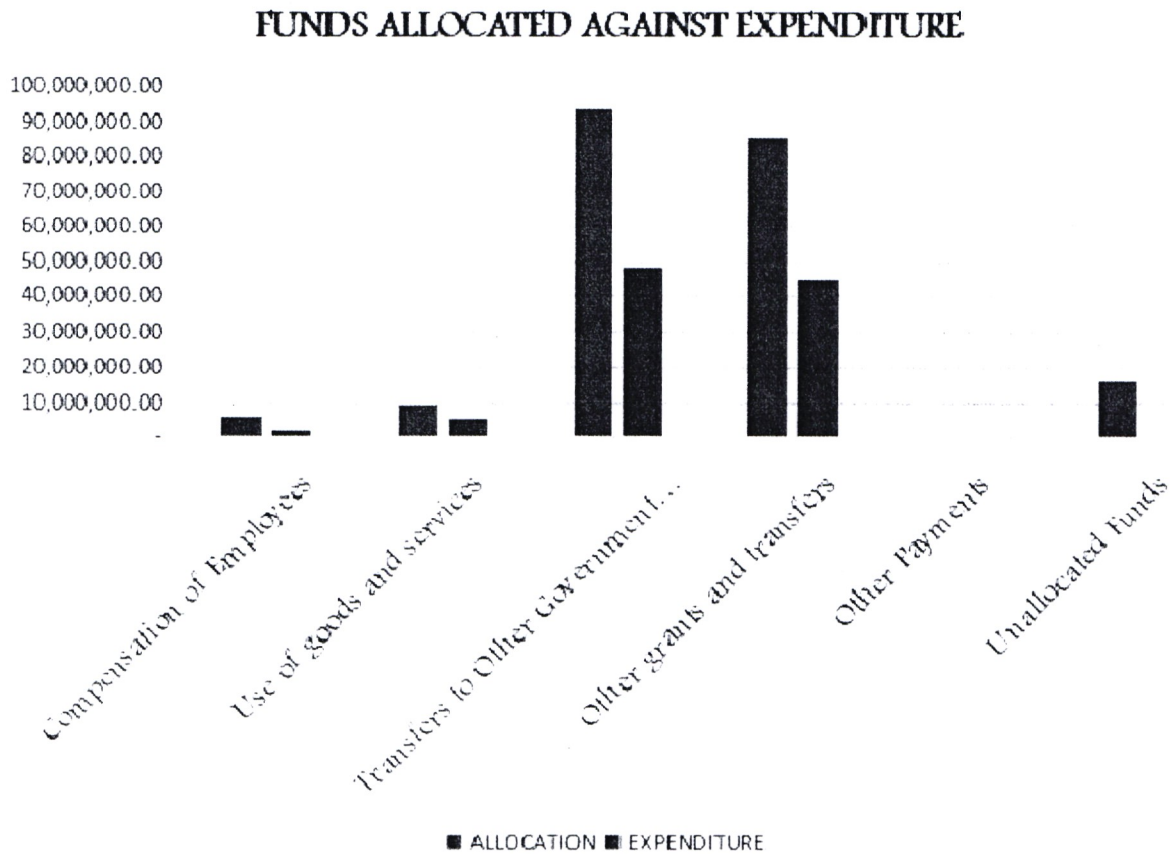
**BUDGET ALLOCATION PER SECTOR - 2020/2021 FYR**



**Fig 1: Budget allocation for 2020/2021 per sector.**

The most allocation was to Education sector projects with Education Primary, Education Secondary and Bursary taking the lead. Negligible allocation was given to Sports and Environment projects at less than 1% with Security being given no funding.

*Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**Fig 2: Shows the actual budgeted and Spend funds in the financial year 2020/2021**

The constituency was only able to consume a total of 48% of the funds allocated. This was due to delayed funding coupled with management challenges at the constituency level. The total amount of funds not released from the head quarters due to land valuation requirement and other project clarity issues now stands at Kshs. 16,756,390.



Fig 3: Shows a newly constructed 6 classrooms storey Block at St. Joseph RC Primary School Webuye East Constituency for enhancing learning environment.



Fig 4: Shows a newly constructed 3 classrooms Block at Lufwindiri primary School Webuye East Constituency for enhancing learning environment.

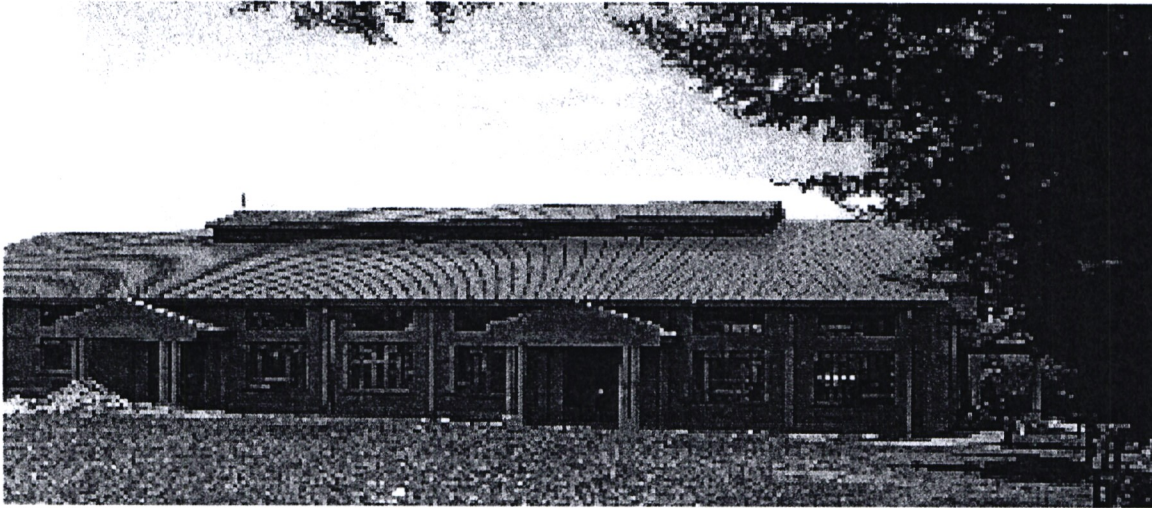


Fig 5: Shows a newly constructed dining hall Block at Lutacho Secondary School Webuye East Constituency for enhancing learning environment.

*Sign*

ISAAC MUNGANYI NAMUSASI  
CHAIRMAN NG-CDF COMMITTEE

### III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

#### 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 NGCDF-Webuye East Constituency's 2017-2021 plans are to;**

In emphasizing the above, the key development objectives of NG-CDF Webuye East Constituency's 2017-2021 plan include;

- To increase and equip learning institutions with adequate instructional materials and man power
- To raise literacy levels equitably for both males and females
- To sensitize the community on the proper use of available resources
- To tarmac the major roads and make all feeder roads all weather
- To upgrade and increase health facilities
- To sensitise the community and build their capacity to monitor and evaluate projects

#### 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	<ul style="list-style-type: none"><li>• Sensitise parents on the importance of Early Childhood</li></ul>	Increased enrolment in primary schools and improved transition to	Number of usable physical infrastructure build in primary, secondary, and	Additional 22 classrooms have been constructed while 27 on-going

*Webuye East Constituency  
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Constituency Program	Objective	Outcome	Indicator	Performance
	Development (ECD) <ul style="list-style-type: none"> <li>Educate parents and students on the importance of education</li> <li>Affirmative action to ensure that the girl child's education is a priority in the constituency</li> </ul>	secondary schools and tertiary institutions Improved infrastructure in schools	tertiary institutions Number of bursary beneficiaries at all levels	classrooms have been completed. 1 on-going dormitory has been completed 1 on-going laboratory has been completed 1 ongoing multipurpose hall has been completed 2 new dormitories have been constructed upto lintel level 12 door pit latrine has been constructed 4 acres have been purchased 3,900 Bursary beneficiaries
Environment	Improve access to a more sustainable and conserved environment	Improved sanitation facilities in schools Provision of tree seedlings to schools to improve the forest cover	Number of sanitation facilities built in schools Number of trees planted	Planting of 500 tree seedlings in 10 schools



*Webuye East Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Reports and Financial Statements for The Year Ended June 30, 2021*

Constituency Program	Objective	Outcome	Indicator	Performance
Sports	Empower youth and special groups in the constituency	Improved cohesion and enhanced economic growth through sports	Number of youth groups benefitting from the sports programme	200 youths benefitted from the program

#### IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

- a. **Education and Training:** Webuye East 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,
- 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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

##### 2. Environmental performance

Webuye East constituency thrives in ensuring the conduciveness and sustainability of the environment. Webuye East NG-CDF Committee recognises the provisions of the strategic plan (2017-2021) and the National Environmental Management Authority (NEMA) guidelines.

Webuye East NG-CDF Committee is guided by an environment policy which commits to;

- Increase the forest cover in Webuye East through planting of trees

- Comply with the relevant environmental measures which have been put in place
- Protect the environment through minimizing our contribution to pollution of land, air and water and management of waste by ensuring proper waste disposal.
- Regularly communicating our environmental performance to the relevant stakeholders
- Encouraging and sensitizing on the importance of protecting the environment to the constituents.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Xxx 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. Webuye East 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-**

Webuye East NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

#### 5. Community Engagements-

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

##### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

##### **Public Awareness**

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

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

**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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


The Accounting Officer in charge of the NGCDF-Webuye East 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, 2021. 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- Webuye East 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, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Webuye East Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Webuye East 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**

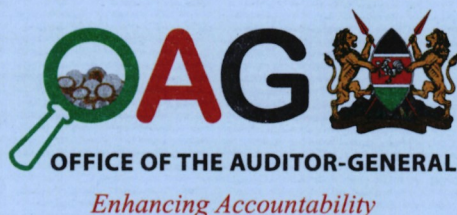
The NGCDF- Webuye East Constituency financial statements were approved and signed by the Accounting Officer on **9<sup>th</sup> September, 2021**.

  
\_\_\_\_\_  
Chairman NGCDF Committee  
Name: Isaac N. Mung'anyi

  
\_\_\_\_\_  
Fund Account Manager  
Name: Mary Gorretti Wanjala

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WEBUYE EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Webuye East Constituency set out on pages 18 to

54, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Webuye East Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Audit Act, 2012, and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Unsupported Other Receipts**

The statement of receipts and payments and Note 3 to the financial statements reflects Kshs.14,900 in respect of other receipts. However, the receipts were not supported by any documents.

Consequently, the accuracy and completeness of other receipts of Kshs.14,900 could not be confirmed.

#### **2. Unsupported Project Management (PMC) Account Balances**

Note 17.4 to the financial statements reflects Project Management Committee balances totalling Kshs.23,273,754 which, as shown under Annex 5, comprises balances held by PMCs in sixty one (61) bank accounts in Kenya Commercial Bank. However, bank reconciliation statements and certificates of bank balances in support of the bank balances were not provided for audit .

#### **3. Inaccuracies in the Statement of Receipts and Payments**

The statement of receipts and payments reflects expenditure on other grants and transfers of Kshs.43,369,646 as disclosed in Note 7 to the financial statements. However, the statement of appropriation reflects an amount of Kshs.44,930,646 resulting in a variance of Kshs.1,561,000. Further, the statement reflects expenditure on use of goods and services of Kshs.5,770,304 as disclosed in Note 5 to the financial statements. However, supporting schedules reflect an expenditure of Kshs.5,731,030 resulting in an unreconciled variance of Kshs.39,274. In addition, the expenditure on use of goods and services includes Kshs.1,448,000 paid as CDF committee allowances. However, payment vouchers and related supporting documents reflect an expenditure of Kshs.2,279,000 resulting in an unexplained variance of Kshs.831,000.

In the circumstances, the accuracy and completeness of expenditures on use of goods and services and other grants and transfers of Kshs.5,770,304 and Kshs.43,369,646 respectively could be confirmed.

#### **4. Unsupported Adjustment**

The statement of assets and liabilities reflects prior year adjustment balance of Kshs.537,751. However, the balance was not supported by documentation, analysis or detailed Note to the financial statements.

In the circumstances, the accuracy and completeness of the prior year adjustment balance of Kshs.537,751 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 - Webuye East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Key Audit Matters**

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

#### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.212,240,253 and Kshs.158,361,374 respectively resulting to an under-funding of Kshs. 53,878,879 or 23% of the budget. Similarly, the statement of reflects final expenditure budget and actual on comparable basis of Kshs.212,240,253 and Kshs.99,681,573 respectively resulting to an under-expenditure of Kshs.112,558,681 or 53% of the budget.

Based on the approved estimates, under funding and expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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**

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 Fund's policies and procedures may deteriorate.

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

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

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

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

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

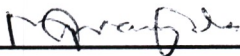
**15 September, 2022**

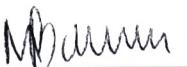
*Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

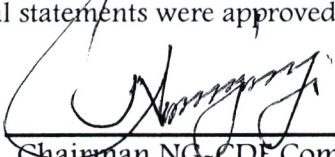
**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	152,577,724	123,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	14,900	-
<b>TOTAL RECEIPTS</b>		<b>152,592,624</b>	<b>123,040,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,172,295	3,170,519
Use of goods and services	5	5,770,304	6,582,700
Transfers to Other Government Units	6	48,369,328	97,587,414
Other grants and transfers	7	43,369,646	14,600,042
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>99,681,573</b>	<b>121,940,675</b>
<b>SURPLUS/(DEFICIT)</b>		<b>52,911,052</b>	<b>1,100,201</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Webuye East Constituency financial statements were approved on **9<sup>th</sup> September, 2021** and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**  
Name: Mary Gorretti Wanjala

  
\_\_\_\_\_  
**National Sub-County Accountant**  
Name: Mildred Barasa  
ICPAK M/No: 15874

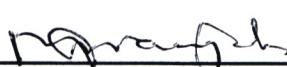
  
\_\_\_\_\_  
**Chairman NGCDF Committee**  
Name: Isaac N. Mung'anyi

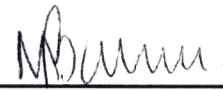
*Webuye East Constituency  
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Reports and Financial Statements for The Year Ended June 30, 2021*

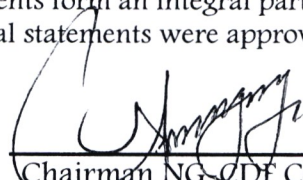
**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020-2021	2019-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	60,098,688	5,768,750
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>60,098,688</b>	<b>5,768,750</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>60,098,688</b>	<b>5,768,750</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	881,136	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>59,217,552</b>	<b>5,768,750</b>
<b>NET FINANCIAL ASSETS</b>			
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>		5,768,750	4,668,549
Prior year adjustments	14	537,751	
Surplus/Deficit for the year		52,911,052	1,100,201
<b>NET FINANCIAL POSITION</b>		<b><u>59,217,553</u></b>	<b><u>5,768,750</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Webuye East Constituency financial statements were approved on 9<sup>th</sup> September, 2021 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Mary Gorretti Wanjala

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: Mildred Barasa  
ICPAK M/No: 15874

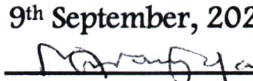
  
\_\_\_\_\_  
Chairman NGCDF Committee  
Name: Isaac N. Mung'anyi


*Webuye East Constituency  
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**STATEMENT OF CASHFLOW**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	152,577,724	123,040,876
Other Receipts	3	<u>14,900</u>	-
<b>Total receipts</b>		<b>152,592,624</b>	<b>123,040,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,172,295	3,170,529
Use of goods and services	5	5,770,304	6,582,700
Transfers to Other Government Units	6	48,369,328	97,587,414
Other grants and transfers	7	43,369,646	14,600,042
Other Payments	8	-	-
<b>Total payments</b>		<b>99,681,573</b>	<b>121,940,675</b>
<b>Total Receipts Less Total Payments</b>			
<b>Adjusted for:</b>		-	-
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	881,136	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	537,751	-
Prior year adjustments	14	<b>1,418,887</b>	-
<b>Net cash flow from operating activities</b>		<b>54,329,939</b>	<b>1,100,201</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>54,329,939</b>	<b>1,100,201</b>
Cash and cash equivalent at BEGINNING of the year	10	5,768,750	4,668,549
Cash and cash equivalent at END of the year		<u>60,098,689</u>	<u>5,768,750</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Webuye East Constituency financial statements were approved on 9<sup>th</sup> September, 2021 and signed by:

  
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**Fund Account Manager**  
Name: Mary Gorretti Wanjala

  
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\_\_\_\_\_  
**Chairman NG-CDF Committee**  
Name: Isaac N. Mung'anyi

*Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**IX. SUMMARY STATEMENT OF APPROPRIATION**

Receipts/Payments	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference		% of Utilization	
	a		b		c=a+b		d		e=c-d		f=d/c%	
<b>RECEIPTS</b>	2020/2021		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement	2020/2021		30/06/2021					
	Kshs		Kshs	Kshs	Kshs		Kshs		Kshs		Kshs	
Transfers from NGCDF Board	137,088,879	5,768,750	5,768,750	69,367,724	212,225,353		158,346,474		53,878,879		74.6%	
Proceeds from Sale of Assets											0.0%	
Other Receipts		14,900	14,900		14,900		14,900				100.0%	
<b>TOTALS</b>	<b>137,088,879</b>	<b>5,783,650</b>	<b>5,783,650</b>	<b>69,367,724</b>	<b>212,240,253</b>		<b>158,361,374</b>		<b>53,878,879</b>		<b>74.6%</b>	
<b>PAYMENTS</b>												
Compensation of Employees	3,900,052	2,342,780	2,342,780	-	6,242,832		2,172,295		4,070,537		34.8%	
Use of goods and services	8,166,664	1,586,779	1,586,779	-	9,753,443		5,770,304		3,983,140		59.2%	
Transfers to Other Government Units	78,863,566	-	-	14,893,176	93,756,742		48,369,328		45,387,414		51.6%	
Other grants and transfers	38,192,207	1,839,191	1,839,191	45,684,548	85,715,946		44,930,646		40,785,300		52.4%	
Acquisition of Assets											0.0%	
Other Payments											0.0%	
Funds pending approval**	7,966,390	14,900	14,900	8,790,000	16,771,290				16,771,290		0.0%	
<b>TOTALS</b>	<b>137,088,879</b>	<b>5,783,650</b>	<b>5,783,650</b>	<b>69,367,724</b>	<b>212,240,253</b>	<b>3</b>	<b>99,681,573</b>		<b>112,558,681</b>		<b>47.0%</b>	

**Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021**

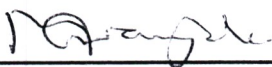
UTILIZATION

- i. All utilization fell below 90% in the year due to political and management challenges.
- ii. The changes in original and final budget was as a result of carry forward of the previous financial year's budget that was disbursed to the constituency in September, 2020.

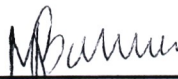
**Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities**

Description	Amount
Budget utilisation difference totals	112,558,680.98
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	53,878,879.21
	58,679,801.77
Add Accounts payable	881,136.00
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	537,751.00
Cash and Cash Equivalents at the end of the FY 2020/2021	<b>60,098,688.77</b>

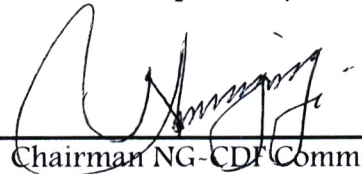
The NGCDF-Webuye East Constituency financial statements were approved on **9<sup>th</sup> September, 2021** and signed by:



**Fund Account Manager**  
Name: Mary Gorretti Wanjala



**National Sub-County  
Accountant**  
Name: Mildred Barasa  
ICPAK M/No: 15874



**Chairman NG-CDF Committee**

Name: Isaac N. Mung'anyi



*Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme /Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement S				
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,900,052.00	2,342,780	-	6,242,832	2,172,295	4,070,537	35
1.2 Committee allowances	1,800,000.00		-	1,800,000	1,803,500	(3,500)	100
1.3 Use of goods and services	2,432,011.41		-	2,432,011	475,254	1,956,758	20
<b>Total</b>	<b>8,132,063.41</b>	<b>2,342,780</b>	<b>-</b>	<b>10,474,844</b>	<b>4,451,049</b>	<b>6,023,795</b>	
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	904,656.00	1,000,000	-	1,904,656	1,659,000	245,656	87
2.2 Committee allowances	2,021,379.00	-	-	2,021,379	666,000	1,355,379	33
2.3 Use of goods and services	1,008,618.00	586,779	-	1,595,397	1,166,550	428,847	73
<b>Total</b>	<b>3,934,653.00</b>	<b>1,586,779</b>	<b>-</b>	<b>5,521,432</b>	<b>3,491,550</b>	<b>2,029,882</b>	
<b>3.0 Emergency</b>							
3.1 Primary Schools			6,432,000	6,432,000	6,432,000	-	100
3.2 Secondary schools			600,000	600,000	600,000	-	100
3.3 Tertiary institutions			-	-	-	-	-
3.4 Security projects			-	-	-	-	-
3.5 Unutilised	7,192,206.90		6,474,201	13,666,408	-	13,666,408	-
<b>Total</b>	<b>7,192,207</b>	<b>-</b>	<b>13,506,201</b>	<b>20,698,408</b>	<b>7,032,000</b>	<b>13,666,408</b>	
<b>4.0 Bursary and Social Security</b>							
4.1 Secondary Schools	17,000,000	1,839,191	15,978,701	34,817,892	20,667,700	13,811,192	60

*w e u o y e E a s t C o n s t i t u e n c y*  
*N a t i o n a l G o v e r n m e n t C o n s t i t u e n c i e s D e v e l o p m e n t F u n d ( N G C D F )*  
*R e p o r t s a n d F i n a n c i a l S t a t e m e n t s f o r T h e Y e a r E n d e d J u n e 3 0 , 2 0 2 1*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursement \$	Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference	% of Utilisation (f=d/c %)
4.2 Tertiary Institutions	13,000,000		11,991,000	24,991,000	12,703,000	11,066,000	56
4.3 Social Security				-	-	-	-
<b>Total</b>	<b>30,000,000</b>	<b>1,839,191</b>	<b>27,969,701</b>	<b>59,808,892</b>	<b>33,370,700</b>	<b>24,877,192</b>	-
5.0 Sports							
5.1	500,000	-	1,000,000	1,500,000	508,300	991,700	34
<b>Total</b>	<b>500,000</b>	<b>-</b>	<b>1,000,000</b>	<b>1,500,000</b>	<b>508,300</b>	<b>991,700</b>	
6.0 Environment							
6.1	500,000		750,000	1,250,000	-	1,250,000	-
<b>Total</b>	<b>500,000</b>	<b>-</b>	<b>750,000</b>	<b>1,250,000</b>	<b>-</b>	<b>1,250,000</b>	
<b>7.0 Primary Schools Projects</b>							
Muji Primary School			1,000,000	1,000,000	1,000,000	-	100
Nabuyole Pefa Primary School			1,100,000	1,100,000	1,100,000	-	100
Sambu Central Primary School			2,293,176	2,293,176	2,293,176	-	100
Sambu PAG Primary School			1,000,000	1,000,000	1,000,000	-	100
Webuye ACK Primary School			6,000,000	6,000,000	3,000,000	3,000,000	50
Froi Sambu SA Primary School	2,600,000			2,600,000	-	2,600,000	-
Lwile Primary School	2,600,000			2,600,000	-	2,600,000	-
Mabele Baptist Primary School	1,500,000			1,500,000	1,500,000	-	100
Mahanga PEFA Primary School	2,600,000			2,600,000	-	2,600,000	-
Malomonye Primary School	1,500,000			1,500,000	1,500,000	-	100
Manafwa Primary School	2,600,000			2,600,000	-	2,600,000	-
Sinoko PCU Primary School	2,600,000			2,600,000	-	2,600,000	-
Muji Primary School	2,000,000			2,000,000	2,000,000	-	100

*Webuye East Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference	% of Utilisation(f=d/c )
		Opening Balance (C/Bk) and ATA	Previous Years' Outstanding Disbursement s				
Murumba RC Primary School	2,600,000			2,600,000	-	2,600,000	-
Nabuyole FYM Primary School	2,600,000			2,600,000	-	2,600,000	-
Nzoia RC Primary School	2,600,000			2,600,000	-	2,600,000	-
Sambu FAG Primary School	4,326,152			4,326,152	4,326,152	-	100
Wabukhonyi FCU Primary School	2,600,000			2,600,000	-	2,600,000	-
Webuye ACK Primary School	10,434,000			10,434,000	6,100,000	4,334,000	58
Webuye PAG Primary School	2,600,000			2,600,000	-	2,600,000	-
Katumi Primary School	-			0	2,200,000	(2,200,000)	#DIV/0!
Njatia Primary School	-			-	250,000	(250,000)	#DIV/0!
<b>Total</b>	<b>45,760,152</b>	<b>-</b>	<b>11,393,176</b>	<b>57,153,328</b>	<b>26,269,328</b>	<b>30,884,000</b>	<b>46</b>
<b>8.0 Secondary Schools Projects</b>							
Lutacho Secondary School	-		2,000,000.00	2,000,000	2,000,000.00	-	100
Wabukhonyi Secondary School	-		1,500,000.00	1,500,000	1,500,000.00	-	100
Khamoto Secondary School	1,800,000			1,800,000		1,800,000	-
Silungai Secondary School	1,000,000			1,000,000		1,000,000	-
Sipala Secondary School	3,500,000			3,500,000	3,500,000	-	100
Masindu Secondary School	1,500,000			1,500,000	1,500,000	-	100
Bakisa Girls Secondary School	2,600,000			2,600,000		2,600,000	-
Lutacho Secondary School	5,980,000			5,980,000	-	5,980,000	-
Nabuyole Friends Secondary School	1,500,000			1,500,000	1,500,000	-	100
Namarambi Secondary School	7,473,414			7,473,414	5,050,000	2,423,414	68
Ndivisi Boys Secondary School	5,750,000			5,750,000	5,050,000	700,000	88

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Programme/Sub-programme	Original Budget	Adjustments	Previous Years' Outstanding Disbursement	Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference	% of Utilisation (f=d/c %)
Misenwa Secondary School	2,000,000			2,000,000	2,000,000	-	100
<b>Total</b>	<b>33,103,414</b>	<b>-</b>	<b>3,500,000</b>	<b>36,603,414</b>	<b>22,100,000</b>	<b>14,503,414</b>	<b>60</b>
9.0 Tertiary institutions Projects							
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>#DIV/0!</b>
10.0 Security Projects							
Assistant Chiefs Office Lutacho	-	-	2,458,646	2,458,646	2,458,646	-	100
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,458,646</b>	<b>2,458,646</b>	<b>2,458,646</b>	<b>-</b>	<b>-</b>
11.0 Acquisition of assets							
11.1 Motor Vehicles	-	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.0 Other payments							
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.0 unallocated fund							
Unapproved projects							
Katumi Primary School	-		2,200,000.00	2,200,000.00		2,200,000.00	-
Lutacho Primary School	-		340,000.00	340,000.00		340,000.00	-

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Njata Primary School	-		250,000.00	250,000.00		250,000.00	-
Bakisa Girls Secondary School	-		3,000,000.00	3,000,000.00		3,000,000.00	-
Namarambi Secondary School	-		3,000,000.00	3,000,000.00		3,000,000.00	-
St. Paul's Kibisu Primary School	7,300,000.00		-	7,300,000.00		7,300,000.00	-
Lutacho Primary School	666,390.00		-	666,390.00		666,390.00	-
ALA - Unspecified banking		14,900	-	14,900.00		14,900	-
PMC savings		-	-	-		-	-
<b>Total</b>	<b>7,966,390</b>	<b>14,900</b>	<b>8,790,000</b>	<b>16,771,290.00</b>	<b>-</b>	<b>16,771,290</b>	
	<b>137,088,879</b>	<b>5,783,650</b>	<b>69,367,724</b>	<b>212,240,253</b>	<b>99,681,573</b>	<b>112,558,681</b>	

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

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-Webuye East 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.

#### **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.

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition

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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.

**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 14 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

**14. Errors**

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

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

**15. Related Party Transactions**

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



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**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. B 041083	1		54,790,875
AIE NO. B 047450	2		4,000,000
AIE NO. B 041290	3		20,000,000
AIE NO. B 047710	4		6,000,000
AIE NO. B 049297	5		14,000,000
AIE NO. B 104322	6		250,000
AIE NO. B 096578	7		24,000,000
AIE NO. B104516	1	15,000,000	
AIE NO. B104691	2	19,000,000	
AIE NO. A 823745	3	26,577,724	
AIE NO. B 124693	4	9,000,000	
AIE NO. B 119682	5	8,500,000	
AIE NO. B 119721	6	12,000,000	
AIE NO. B 128315	7	6,900,000	
AIE NO. B 132075	8	6,000,000	
AIE NO. B 132368	9	6,000,000.00	
AIE NO. B 126037	10	12,000,000.00	
AIE NO. B 126329	11	7,000,000.00	
AIE NO. B 105124	12	12,600,000.00	
AIE NO. B 140768	13	12,000,000.00	
<b>TOTAL</b>		<b>152,577,724</b>	<b>123,040,876</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	14,900	-
	0	
<b>Total</b>	<b>14,900</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,693,015	1,931,182
<b>Personal allowances paid as part of salary</b>		
House Allowance	342,000	416,000
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	661,097
Employer Contributions Compulsory national social security schemes	137,280	162,240
<b>Total</b>	<b>2,172,295</b>	<b>3,170,519</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	28,149	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	111,331	220,000
Domestic travel and subsistence	205,000	297,800
Printing, advertising and information supplies & services	174,350	435,571
Rentals of produced assets	-	-
Training expenses	1,659,000	1,101,725
Hospitality supplies and services	511,000	615,000
Other committee expenses	666,000	-
Committee allowance	1,448,000	2,221,839
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	250,000	426,000
Fuel , oil & lubricants	200,000	400,000
Other operating expenses	100,500	326,000
Bank service commission and charges	39,274	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	107,700	292,258
Routine maintenance- other assets	270,000	246,507
<b>TOTAL</b>	<b>5,770,304</b>	<b>6,582,700</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	26,269,328	37,956,181
Transfers to secondary schools (see attached list)	22,100,000	59,631,233
Transfers to tertiary institutions (see attached list)	-	-
<b>TOTAL</b>	<b>48,369,328</b>	<b>97,587,414</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	20,667,700	2,094,888
Bursary – tertiary institutions (see attached list)	12,703,000	6,009,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,458,646	6,496,154
Sports projects (see attached list)	508,300	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	7,032,000	-
<b>Total</b>	<b>43,369,646</b>	<b>14,600,042</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	-	-

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10: CASH BOOK BANK BALANCE**

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>KCB Bank Webuye Branch, Account No. 1147722935</i>	60,098,688	5,768,750
	-	
	-	
	-	
<b>Total</b>	<b>60,098,688</b>	<b>5,768,750</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide cash count certificates for each]</i>		

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

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

**12A. RETENTION**

	<i>2020-2021</i>	<i>2019-2020</i>
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

*[Provide short appropriate explanations as necessary.]*

**12B. GRATUITY**

	<i>2020-2021</i>	<i>2019-2020</i>
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 <sup>st</sup> July (A)		-
Gratuity held during the year (B)	881,136	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	<b>881,136</b>	-

*[Provide short appropriate explanations as necessary]*

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**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	5,768,750	4,668,549
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>5,768,750</b>	<b>4,668,549</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>TOTAL</b>	-	-	-

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

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST\***

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-



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**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2020 – 2021	2019-2020
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	881,136	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	<b>881,136</b>	-

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	881,136	-
Others ( <i>specify</i> )	-	-
	<b>881,136</b>	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	4,070,537	2,342,780
Use of goods and services	3,983,140	1,586,779
Amounts due to other Government entities (see attached list)	45,387,414	14,893,176
Amounts due to other grants and other transfers (see attached list)	42,346,300	47,523,739
Acquisition of assets	-	-
Others ( <i>specify</i> )	-	-
Funds pending approval	16,771,290	8,790,000
	<b>112,588,681</b>	<b>75,136,474</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17.4: PMC account balances (See Annex 5)**

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	23,273,754.14	46,801,544.89
	<b>23,273,754.14</b>	<b>46,801,544.89</b>

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group (Scale)	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
		a	b	c	d=a-c	
<b>NG-CDFC Staff Gratuity</b>						
1. Caroline Wanyonyi	13	197,304		-	197,304	Gratuity for 2 years
2. Maurice Khasabuli	13	173,664		-	173,664	Gratuity for 2 years
3. Alexina Nelima	13	173,664		-	173,664	Gratuity for 2 years
4. Jesse Wafunafu	15	136,608		-	136,608	Gratuity for 2 years
5. Erick Zazada	15	111,816		-	111,816	Gratuity for 2 years
6. Jackson Murgia	16	88,080		-	88,080	Gratuity for 2 years
<b>Sub-Total</b>		<b>881,136</b>			<b>881,136</b>	
<b>Middle Management</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
13.						
14.						
15.						
<b>Sub-Total</b>						
<b>Grand Total</b>		<b>881,136</b>			<b>881,136</b>	

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
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Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
NG-CDPC Staff				
16.				
17.				
18.				
			Sub-Total	
			Grand Total	

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/2021 Kshs	2019/2020 Kshs	
<b>Compensation of employees</b>		4,070,537	2,342,780	
<b>Use of goods &amp; services</b>		3,983,140	1,586,779	
<b>Sub-Total</b>		<b>8,053,677</b>	<b>3,929,559</b>	
<b>Amounts due to other Government entities</b>				
Muji Primary School		-	1,000,000	
Nabuyole Pefa Primary School		-	1,100,000	
Sambu Central Primary School		-	2,293,176	
Sambu FAG Primary School		-	1,000,000	
Webuye ACK Primary School		3,000,000	6,000,000	
Froi Sambu SA Primary School		2,600,000		
Lwile Primary School		2,600,000		
Mabele Baptist Primary School		-		
Mahanga PEFA Primary School		2,600,000		
Malomonye Primary School		-		
Manafwa Primary School		2,600,000		
Sinoko PCU Primary School		2,600,000		
Muji Primary School		-		
Murumba RC Primary School		2,600,000		
Nabuyole FYM Primary School		2,600,000		
Nzoia RC Primary School		2,600,000		
Sambu FAG Primary School		-		
Wabukhonyi PCU Primary School		2,600,000		
Webuye ACK Primary School		4,334,000		
Webuye PAG Primary School		2,600,000		
Katumi Primary School		(2,200,000)		
Njata Primary School		(250,000)		
Lutacho Secondary School		-	2,000,000.00	

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Name	Brief Transaction Description	Outstanding Balance 2020/2021 Kshs	Outstanding Balance 2019/2020 Kshs	Comments
Wabukhonyi Secondary School		-	1,500,000.00	
Khamoto Secondary School		1,800,000		
Silungai Secondary School		1,000,000		
Sipala Secondary School		-		
Masindu Secondary School		-		
Bakisa Girls Secondary School		2,600,000		
Lutacho Secondary School		5,980,000		
Nabayole Friends Secondary School		-		
Namarambi Secondary School		2,423,414		
Ndivisi Boys Secondary School		700,000		
Misemwa Secondary School		-		
<b>Sub-Total</b>		<b>45,387,414</b>	<b>23,683,175</b>	
<b>Amounts due to other grants and transfers</b>				
Bursary Secondary schools		14,159,192	17,817,892	
Bursary university and college		12,288,000	11,991,000	
Environment activity		1,250,000	750,000	
Sports activity		991,700	1,000,000	
Assistant Chiefs office Lutacho		-	2,458,646	
Emergency		13,666,408	13,506,201	
<b>Sub-Total</b>		<b>42,346,300</b>	<b>47,523,739</b>	
Funds Pending Approval		16,771,290	8,790,000	
<b>Grand Total</b>		<b>112,588,681</b>	<b>75,136,473</b>	



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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	30,943,058	-	-	30,943,058
Transport equipment	8,107,630	-	-	8,107,630
Office equipment, furniture and fittings	1,479,398	-	-	1,479,398
ICT Equipment, Software and Other ICT Assets	292,600	-	-	292,600
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>40,822,686</b>	<b>-</b>	<b>-</b>	<b>40,822,686</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

	PMC	BANK	A/C NO	BANK BALANCE 2020/21	BANK BALANCE 2019/20
1	Assistant Chief's Office Iutacho	KCB BANK	1178459144	622,490.60	216,928.70
2	Bakisa SA Primary School	KCB BANK	1145876722	213,383.05	213,383.05
3	Chief's Office Maraka	KCB BANK	1177833476	2,731.15	197,895.15
4	Friends Secondary School Wabukhonyi	KCB BANK	1262042674	729,107.85	371,129.40
5	Holy Family Misikhu Boarding Primary School	KCB BANK	1157539149	1,080.50	119.50
6	Kakimanyi SDA Primary School	KCB BANK	1161724338	74.90	7,134.90
7	Kwena Primary School	KCB BANK	1106274938	607,611.40	1,588.40
8	Lufwindiri Primary School	KCB BANK	1135418578	3,167.50	453,385.20
9	Lugulu Mixed Boarding Primary School	KCB BANK	1140832867	22,277.45	1,373.45
10	Lugusi FYM Primary School	KCB BANK	1153757478	1,569.55	1,569.55
11	Lumuli SDA Primary School	KCB BANK	1145945031	6,884.45	346,396.45
12	Iutacho Primary School	KCB BANK	1263940544	17,389.09	243,281.09
13	Iutacho Secondary School	KCB BANK	1149823534	37,184.25	17,162,117.60
14	Lwile Primary School	KCB BANK	1136915494	7,766.40	7,766.40
15	Mabele Baptist Primary	KCB BANK	1125609753	1,642,685.45	2,500,621.00
16	Magemo Friends Secondary School	KCB BANK	1178344983	79,296.00	79,296.00
17	Magemo Friends Secondary School	KCB BANK	1183689519	92,739.08	556,389.08
18	Magemo FYM Primary School	KCB BANK	1146088051	788.51	788.51
19	Magemo FYM Secondary School	KCB BANK	1150745770	1,440.00	1,440.00
20	Mahanga PEFA Primary School	KCB BANK	1135608903	1,159.70	1,159.70
21	Makuselwa Secondary School	KCB BANK	1124093230	877.00	877.00
22	Malomonye Primary School	KCB BANK	1134550561	108,192.70	2,500,838.70
23	Masindu Primary School	KCB BANK	1109653018	2,617.80	2,617.80
24	Masindu secondary School	KCB BANK	1277044694	1,583,919.00	-
25	Mihuu FYM Primary School	KCB BANK	1134996993	2,159,741.00	159,941.00
26	Mihuu Secondary School	KCB BANK	1108078036	93,392.50	702,716.50
27	Minyali SA Primary School	KCB BANK	1133892884	2,005.00	2,005.00

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28	Misemwa FYM Primary School	KCB BANK	1170973663	3,328.82	3,328.82
29	Misemwa Secondary School	KCB BANK	1109695624	2,028,493.50	1,500,021.50
30	Misimo Primary School	KCB BANK	1145921167	1,959.90	7,959.90
31	Mitukuyu FYM Primary School	KCB BANK	1164663984	1,397.49	27,597.49
32	Muji Primary School	KCB BANK	1270498703	25,972.00	1,000,000.00
33	Mukhuyu Primary School	KCB BANK	1128241986	1,569.70	121,569.70
34	Murumba Rc Primary School	KCB BANK	1145474748	8,333.70	8,333.70
35	Musa Primary School	KCB BANK	1136598618	10,295.70	10,295.70
36	Nabuyole PEFA Primary School	KCB BANK	1183093608	49,332.75	49,332.75
37	Nabuyole Primary School	KCB BANK	1145431747	89,645.75	1,461,613.50
38	Namarambi Secondary School	KCB BANK	1121894186	500,000.00	1,577.00
39	Ndivisi Girls High School	KCB BANK	1145377793	2,143.40	2,143.40
40	Ndivisi Primary School	KCB BANK	1210392216	39,542.00	39,994.00
41	Njata DEB Primary School	KCB BANK	1183257503	402,638.50	2,958.50
42	Njata Primary School	KCB BANK	1183257554	1,518.50	6,718.50
43	Nzoia RC Primary School	KCB BANK	1237018404	57,650.00	227,776.00
44	Ondoti Primary School	KCB BANK	1183093608	2,264.19	2,900.19
45	Sambu Central Primary School	KCB BANK	1157483461	380,988.91	10,912.91
46	Sambu PAG Primary School	KCB BANK	1150712694	1,740,339.35	6,023,597.75
47	Sango DEB Primary School	KCB BANK	1177936461	3,091.60	3,091.60
48	Silungai Primary School	KCB BANK	1236968042	736.75	736.75
49	Sinoko Secondary School	KCB BANK	1145286798	38,730.30	1,067,735.30
50	Sipala FYM Primary School	KCB BANK	1136610626	6,016.05	6,142.05
51	St Pauls Kibisi Primary School	KCB BANK	1178268985	10,292.00	10,292.00
52	St. Cecilia Girls Secondary School	KCB BANK	1176006150	238,995.70	1,176,601.80
53	St. Francis Girls High School Makemo	KCB BANK	1109725620	1,671.00	7,230,714.00
54	St. John's RC Savanna Primary School	KCB BANK	1168695473	1,331.95	1,331.95

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55	St. John's Savannah Primary School	KCB BANK	1208229915	14,771.70	608,221.70
56	St. Mathew's ACK Secondary School	KCB BANK	1132779774	2,044.90	2,044.90
57	Wabukhonyi Primary School	KCB BANK	1109557078	1,657.00	1,657.00
58	Wabukhonyi Secondary School	KCB BANK	1262042674	455,291.85	371,129.00
59	Webuye ACK Primary School	KCB BANK	1212036263	9,100,161.00	481.00
60	Webuye KMTC	KCB BANK	1108446736	5,157.90	5,157.00
61	Webuye PAG Primary School	KCB BANK	1135435510	4,818.40	74,818.40
	<b>TOTAL</b>			<b>23,273,754.14</b>	<b>46,801,544.89</b>

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**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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>REPORT ON FINANCIAL STATEMENTS</b>					
<b>Other Matter</b>					
<b>1</b>	<b>Budgetary Control and Performance</b>				
<b>1.1</b>	<b>Budgetary Performance</b> During the year under review, and as reported in the summary statement of appropriation: recurrent and development combined, the Fund spent Kshs. 60,659,044 against a budgeted amount of Kshs. 120,686,468, thereby resulting in a net budget under-absorption of Kshs. 60,027,425 or 36%.  In view of the foregoing, the Fund may not have achieved all its project completion targets, resulting in delayed benefits to the residents of Webuye East Constituency	The Fund experienced delays in the disbursement of funds from the NGCDFB this majorly contributed to the performance	Fund Account Manager	Resolved	30 <sup>th</sup> June 2020
<b>2</b>	<b>Project Implementation Status</b>				
<b>2.1</b>	<b>Projects for the Year Under Review</b> NGCDF, Webuye East Constituency was to implement a total of 29 projects/programmes under security, Education and Sports sectors	The Fund experienced delays in the disbursement of funds from the NGCDFB this majorly	Fund Account Manager	Resolved all projects implemented	30 <sup>th</sup> June 2020

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.2	<p>during the financial year under review as shown below. Further analysis indicated that 10 projects or 21% of all projects still on going and 19 projects or 66% had been completed as at 30 June 2020</p> <p><b>Projects for Prior Years</b></p> <p>The Project Implementation Status Report submitted for audit review shows that a number of projects with total estimated cost of Kshs.82,314,744, which were to be implemented during the 2014/2015, 2016/2017 and 2017/2018 financial years were still ongoing as at 30 June 2020.</p> <p>Consequently, the Fund may not have achieved its projects completion targets and could therefore not provide its constituents with all the services planned and budgeted for, for the three years. Further, management may not be prioritizing on-going projects when allocating funds as required by Section 46 (2) of the National Government Constituencies Development Fund Act, 2015.</p>	<p>contributed to the performance</p>			
3	<p><b>Land and Building Without Ownership Documents</b></p> <p>The audit of the Fund's fixed assets revealed that the Fund constructed an office building at</p>	<p>The parcel is an allotment to the Ministry of Interior and</p>	<p>Fund Account Manager</p>	<p>Not Resolved</p>	<p>31<sup>st</sup> December 2020</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>a cost of Kshs. 30,200,967 on a parcel of land within Webuye town that was allotted to the Ministry of Interior and Coordination of National Government during the financial 2017/2018. However, it was observed that:</p> <p>a) The building, although in use, is still not complete.</p> <p>b) The parcel of land on which the building was constructed has no title deed or reference number.</p> <p>c) Behind the office building stands an old permanent structure whose ownership documents were not available.</p> <p>d) The actual size of the land could not be determined and some fencing has been done on it by a private developer.</p> <p>e) The landscaping of the compound was not done.</p> <p>f) The main gate and drive-in road were not done and therefore access to the offices is difficult.</p> <p>Management has indicated that:</p> <p>a) It has initiated the process of clearly demarcating the area where the building is situated and obtaining ownership documents for the same and demolishing the permanent structure behind the main office.</p> <p>b) It will factor in the 2020/2021 financial year budget funds for landscaping,</p>	<p>Coordination of National government which allowed Webuye NG-CDFC to build an office in a section of it.</p> <p>However, the management has taken note of the risk and has initiated the process to ensure that the area where the building is situated is clearly demarcated and obtain ownership of the same.</p> <p>Landscaping had been done initially and flowers planted but erosion due to heavy rains has led to the current state. The management has taken note and is going to factor in this year's budget funds for landscaping, install main gate, repair the drive in road and complete the lower side of the building planned for parking area.</p> <p>The management has also taken note of the recommendation of the structure behind the main</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>installation of the main gate, repair of the drive-in road and completion of the parking area. In view of the foregoing, the land faces the risk of encroachment and unnecessary land disputes. Further, due to poor landscaping, there is also a risk of land degradation through soil erosion. In addition, in the absence of title deed, the ownership of the building and parcel of land on which it stands could not be confirmed.</p>	<p>office and has initiated process of demolishing it.</p>			
<b>Basis for Conclusion</b>					
<b>1</b>	<b>Failure to Insure Fixed and Movable Assets</b>	The management has taken note of the recommendation and has initiated process of ensuring all Fixed and Movable Assets are insured.	Fund Account Manager	Not resolved	31 <sup>st</sup> October 2020
<b>2</b>	<b>Unutilized Project Management Committee (PMCs) Bank Accounts</b>	Included in the PMC balances at annex 5 to the	The Management has initiated	Fund Account	Not resolved
					31 <sup>st</sup> October



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>financial statements are the following bank account balances totalling Kshs. 2,088,623 whose respective projects were, according to project implementation status report, complete and operational as at 30 June 2019:</p> <p>However, these unutilized balances had not been transferred back to the Constituency Bank Account as at the time of audit as required by Section 12 (8) of the National Government Constituencies Development Fund Act, 2015.</p>	<p>the process of transferring the balances to the main account</p>	<p>Manager</p>		<p>2020</p>