

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 07 AUG 2024

DAY  
Afternoon

**REPORT**

TABLED  
BY:

Deputy  
Majority  
Party

**OF**

CLERK-AT  
THE-TABLE:

Benson Inzofu

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – KARACHUONYO  
CONSTITUENCY**

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

PARLIAMENT  
OF KENYA  
LIBRARY



---

**KARACHUONYO CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

---

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

<b>Table of Content</b>	<b>Page</b>
I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report .....	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23 .....	xi
V. Statement of Governance .....	xiii
VI. Environmental and Sustainability Reporting.....	xiv
VII. Statement Of Management Responsibilities .....	xviii
VIII. Report Of the Independent Auditors On The NGCDF- Karachuonyo Constituency .....	xx
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023 .....	1
X. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2023.....	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023.....	3
XII. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	7
XIV. Significant Accounting Policies .....	16
XV. Notes To the Financial Statements .....	22
XVI. Annexes .....	33

## 1. Acronyms and Abbreviations

*Provide a list of all applicable acronyms and abbreviation e.g.*

DA	District Accountant
CDF	Constituency Development Fund
NGCDF	National Government Constituency Development Fund
PFM	Public Finance Management
IFSAS	International Public Sector Accounting Standards.
PMC	Project Management Committee
FY	Financial Year

## **2. Key Constituency Information and Management**

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

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

### **Mandate**

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

### **Functions of NG-CDF Committee**

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

#### **(b) Key Management**

The Karachuonyo 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)

### Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Mr. Galgalo Danso
2.	Sub-County Accountant	Mr. David Ongoro Ogeto
3.	Chairman NGCDFC	Mr. Tobias Owino Were
4.	Member NGCDFC	Mrs. Eunice Agollah Opilu

### (c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Karachuonyo Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

### (d) KARACHUONYO CONSTITUENCY NGCDF Headquarters

KARACHUONYO CDF  
DCC COMPOUND  
KENDUBAY/ OYUGIS ROAD  
P.O.BOX 36-40310  
KENDUBAY, KENYA

### (e) KARACHUONYO CONSTITUENCY NGCDF Contacts

Telephone: (254) 720058255  
E-mail: [cdfkarachuonyo@ngcdf.go.ke](mailto:cdfkarachuonyo@ngcdf.go.ke)  
Website: [karachuonyo.ngcdf.go.ke](http://karachuonyo.ngcdf.go.ke)

**(f) KARACHUONYO CONSTITUENCY NGCDF Bankers**

Bank Name: Equity Bank  
Branch: Homabay Branch  
Account Name: Karachuonyo NG - CDF  
Account Number: 0980265100797

**(g) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(h) Principal Legal Adviser**

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



### 3. NG-CDFC Chairman's Report



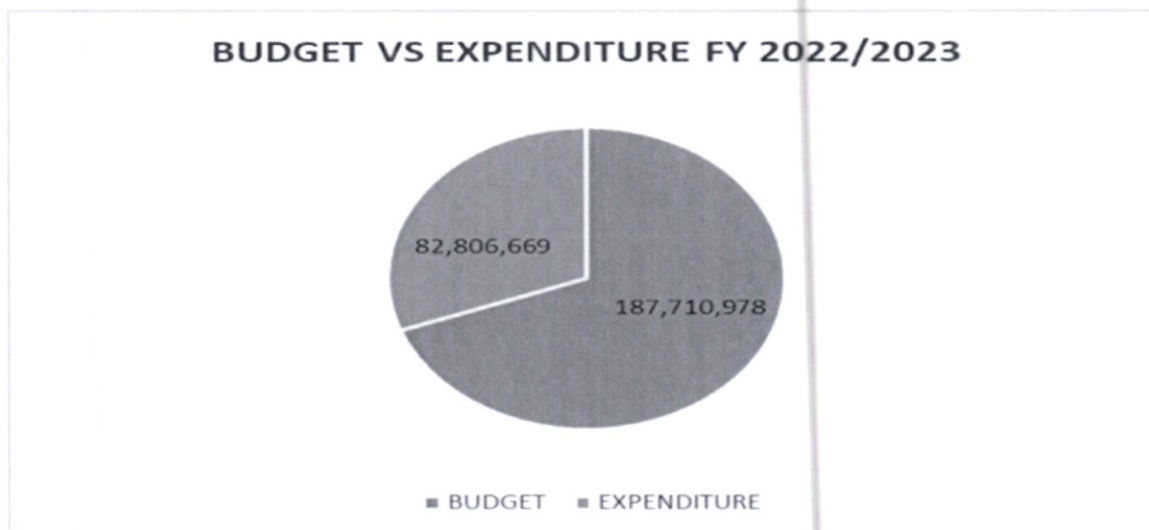
**MR. TOBIAS OWINO WERE**

Karachuonyo NG-CDF has in the last financial year received a disbursement of **Kshs 92,240,000**. This includes outstanding disbursements of **Ksh 1,240,000** from previous outstanding disbursements and **Kshs 91,000,000** received as part of this year's allocation of **Kshs 158,832,745**. This makes current balance of undisbursed funds from the Board to be **Kshs 90,221,804**.

Out of the **Kshs 92,240,000** received, the constituency spent **Kshs 82,806,669**. This translates to a favourable absorption rate of 89% of the total funding received in the Financial. Further, the amounts spent was less than the FY 2022/23 allocation due late disbursement by the board as a result prolonged electioneering period.

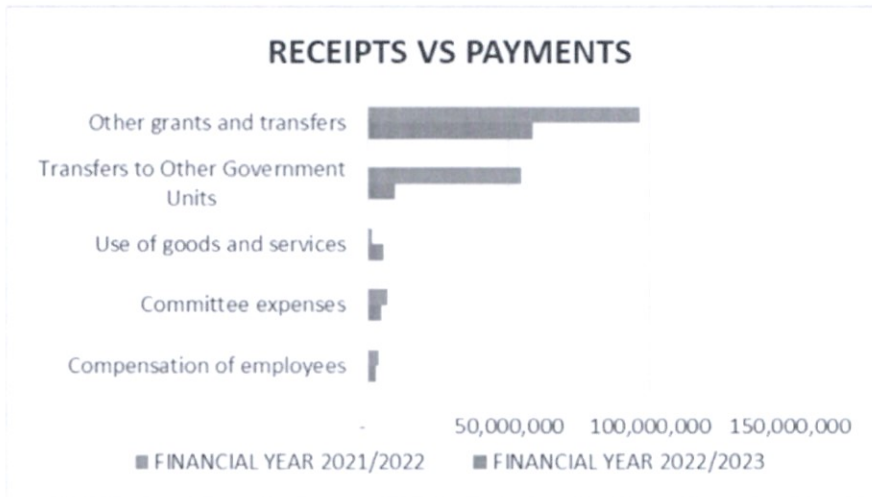
Below is the graphical analysis of the annual expenditure against the annual budget for the FY 2022/2023

#### 1. BUDGET VS EXPENDITURE FY 2022/2023



Karachuonyo NG-CDF has continued to implement in a well-organized and coordinated manner the various projects which follows clearly set performance indicators and time frame under each of the national functions priorities that is education infrastructure and bursary, security, sports, environment through equity and sustainable development in poverty eradication within the constituency.

**2. COMPARISON BETWEEN FY 2022/2023 VS FY 2021/2022: RECEIPTS VS PAYMENTS**



**Pictorials**

Below are some of the projects pictorials implemented within the financial year.



**KENDU MUSLIM SECONDARY SCHOOL BUS FY 2022/2023**



KOBALA PRIMARY SCHOOL PIT LATRINES FY 2022/2023

**KEY ACHIEVEMENTS:**

The greatest achievements are in Bursary disbursements which was allocated Kshs 55M in the current financial year. The committee was able to disburse over Kshs 50M to help needy students

**EMERGING ISSUES:**

Emerging issues include:

1. High demand for bursary due to high poverty index.
2. High cost of living has affected the cost of construction materials used for construction resulting to shoddy and uncompleted work due to minimum funds disbursed for the projects

**CHALLENGES:**

1. Some schools are inaccessible due to poor road networks
2. Late disbursement of funds from the NG-CDF board
3. Inability by the board to approve some projects from the previous financial years in time

**RECOMMENDATIONS:**

1. Timely disbursement of funds by NG-CDF Board will facilitate timely implementation of approved projects.
2. Bursary allocations should be increased to 50% to reach more students within the constituency.
3. To Increase more emergency funding towards meeting the emergency needs within the constituency.



.....  
**SIGNATURE:**

**NAME: TOBIAS OWINO WERE**  
**CHAIRMAN NGCDF COMMITTEE**

**4. Statement of Performance against Predetermined Objectives for FY2022/23**

**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 Karachuonyo Constituency 2022-2027 plan are to:

- To mobilize more resources for community development.
- To improve safe water supply.
- To improve the health standards of the constituency.
- To improve infrastructure, especially schools and roads within the constituency.
- To build capacity of the community to implement development projects.
- Empower and training of youths through establishing ICT Hubs within the constituency which will be free and accessible.

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> </ul>	In FY 2022/2023 We were only able to purchase one school bus for Kendu Muslim Secondary school due to late disbursement of funds to the constituency Bursary beneficiaries: 4469 in secondary schools and 1305 in tertiary institutions
Security	To have conducive working environment for security	Increased construction of chief’s office	Improved security in the area	In FY 2022/23 We were not able to implement security projects since all the funds

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

	agencies			were disburse to Bursary
Environment	To improve environment by carrying out environmental activities	Increased planting of trees both indigenous and fruit trees	Improved environment	in the FY 2022/2023, were able to construct one toilet to completion at Kobala Primary school
Sports	To empower youth through sports activities	Increased sports activities through Karachuonyo tournament	Improved youth empowerment	In the year 2022/2023 management carried out sports activities by facilitating more than 15 ward teams to constituency level
Disaster Management	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	Management has carried out PMC & CDFC capacity building to improve in the management of NG-CDF funds

## 5. Statement of Governance

Once the NG-CDF board issue guidelines through a circular notice, the fund account manager formulate a selection committee which include 2 members of the public, DCC and a fund account manager.

In their first sitting, the selection panel advertise the vacant positions of the NGCDFC by inviting the members of the public to submit written applications to the selection committee secretary (FAM)

After advertisement, applications are received by selection panel secretary.

The NG CDFC selection panel meet to shortlist qualified candidates

Shortlisted candidate are notified through phone call or short message service detailing date and place for interview.

After interviews, considering board guidelines on allocation per ward, gender equity and PWDs.

The successful candidates are submitted to the NG-CDF Board for approval and subsequent gazetement for a period of 3 years renewable

The number of sittings per year is set at maximum 24 with 2 sittings per month

## 6. Environmental and Sustainability Reporting

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

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



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

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

## **2. Environmental performance**

- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- Karachuonyo NG-CDF carried out environmental activities in the FY 2022/23 to construct 5 door boys latrine with urinal and door to cater for persons with disabilities to a tune of Ksh. 800,000 and hence improve the sanitation.

## **3. Employee welfare**

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

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

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

Karachuonyo 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.

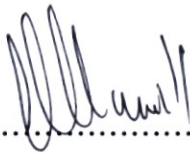
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



.....  
**Name: Galgallo Guyo Danso**  
**Fund Account Manager.**



## 7. 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-Karachuonyo Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Karachuonyo Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Karachuonyo 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 Karachuonyo 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

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

---

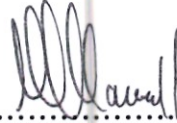
for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Karachuonyo Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2023.



.....  
Name: Tobias Owino Were  
Chairman – NGCDF Committee



.....  
Name: Galgallo Guyo Danso  
Fund Account Manager

# REPUBLIC OF KENYA

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



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

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

---

### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Karachuonyo Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

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

### **Basis for Qualified Opinion**

#### **Stale Cheques in Bank Reconciliation Statements**

The statement of assets and liabilities as disclosed in Note 12 to the financial statements reflects cash and cash equivalents balance of Kshs.14,682,505. However, review of the bank reconciliation statement as at 30 June, 2023 revealed unrepresented stale cheques amounting to Kshs.6,150,000 which had not been reversed in the cash book. This is contrary Regulation 90(1) of Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.14,682,505 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Karachuonyo Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Qualified Opinion.

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts for the year reflects final receipt budget and actual on comparable basis of Kshs.187,710,978 and Kshs.97,489,174 respectively resulting to a short fall of Kshs.90,221,804 or 48% of the budget. Similarly, the Fund spent Kshs.82,806,669 against actual receipts of Kshs.97,489,174 resulting to an under-utilization of Kshs.14,682,505 or 15% of the actual receipts.

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

My opinion is not modified in respect of the this matter.

## **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 Matters**

### **Unresolved Prior Year Audit Matters**

In the audit report for the previous, several issues under the report on Lawfulness and Effectiveness in Use of Public Resource. However, Management has not resolved the issues or provided explanation for failure to resolve the issues.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Involve Project Management Committees in Project Implementation**

The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects transfers to other Government units of Kshs.9,762,300. Review of records revealed that Management acquired fifty-one (51) seater bus from a local dealer for Kendu Muslim Secondary School. However, no evidence was provided to show that there was a Project Management Committee account in place for the Project. This is contrary to the provisions of Section 36 of the National Government Constituencies Development Fund Act, 2015 which states that projects under this Act shall be implemented by the Project Management Committee, with the assistance of the relevant department of Government and all payments through cheques or otherwise shall be processed and effected in accordance with Government regulations for the time being in force. Further, Management applied the request for quotation instead of the open tender in the acquisition of the school bus contrary to Regulation 91(1) of Public Procurement and Asset Disposal Regulation, 2020 which states that the maximum level of expenditure allowed in regard to procurement of goods under this method is Kshs.3,000,0000 .

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

#### **2. Failure to Report on the Utilization of Emergency Reserves**

The statement of receipts and payments as disclosed in Note 8 to the financial statements reflects other grants and transfers balance of Kshs.58,886,849 which includes emergency projects expenditure of Kshs.2,509,375. However, no evidence



was provided to confirm that the utilization of the emergency reserves amounting to Kshs.2,509,375 was reported to the Board within thirty (30) days of the occurrence of the funded emergency projects. This is contrary to the provisions of Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

### **3. Failure to Implement Budgeted Projects**

Budget execution by sectors and projects reflects 96 approved projects for implementation amounting Kshs.187,710,978 out of which 24 projects amounting Kshs.82,806,669 were implemented. Further, review of the approved project code list and the project implementation status report revealed that sixty-nine (69) projects amounting Kshs.88,604,453 relating to 41 primary schools, 17 secondary schools and 11 security projects amounting Kshs.50,400,000, Kshs.22,522,328 and Kshs.15,682,125, respectively were not implemented as at 30 June, 2023.

In the circumstances, the residents of Karachuonyo did not obtain benefits which would have accrued from the implementation of these projects.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Deterioration of Motor Vehicles**

Review of records, interviews with Management and physical inspection revealed that the Constituency owns two (2) unserviceable Pick-ups motor vehicles. However, no evidence was provided to confirm whether the Management had made efforts to have them repaired for use and that it had provided the necessary information on the vehicles to the Chief Executive Officer of the NG-CDF Board for necessary action.

In the circumstances, the effectiveness of the controls over the fixed assets could not be confirmed.

## **2. Failure to Tag Fixed Assets**

Annex 4 -summary of fixed assets to the financial statements reflects fixed asset's historical cost balance of Kshs.14,507,499. However, review of the asset register provided for verification revealed that assets such as office furniture and Information and Communication Technology (ICT) equipment were not tagged for identification.

In the circumstances, the effectiveness of the controls over the fixed assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and 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 sustainability of services and using the applicable basis of accounting unless the Management is aware of 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 , will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my

opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its service

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 June, 2024

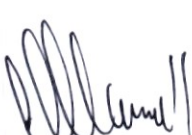


**Karachuonyo Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	92,240,000	167,888,699
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>92,240,000</b>	<b>167,888,699</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,704,680	3,637,928
Committee expenses	5	4,508,600	6,990,900
Use of goods and services	6	5,670,240	1,304,165
Transfers to Other Government Units	7	9,762,300	54,673,500
Other grants and transfers	8	58,886,849	96,760,259
Acquisition of Assets	9	-	-
Oversight Committee Expenses	10	1,274,000	-
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>82,806,669</b>	<b>163,366,752</b>
<b>SURPLUS/DEFICIT</b>		<b>9,433,331</b>	<b>4,521,947</b>

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

The Constituency financial statements were approved by the NGCDFC on \_\_\_\_\_ 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Galgalo Guyo	Name: David Ongoro Ogeto ICPAK M/No:21739	Name: Tobias Owino Were




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

**10. Statement Of Assets and Liabilities As At 30th June, 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	14,682,505	5,249,174
Cash Balances (cash at hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>14,682,505</b>	<b>5,249,174</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,682,505</b>	<b>5,249,174</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>NET FINANCIAL SSETS</b>		<b>14,682,505</b>	<b>5,249,174</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	15	5,249,174	727,227
Prior year adjustments	16	-	-
Surplus/Defict for the year		9,433,331	4,521,947
<b>NET FINANCIAL POSITION</b>		<b>14,682,505</b>	<b>5,249,174</b>

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

The Constituency financial statements were approved by NG CDFC on \_\_\_\_\_ 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Galgalo Danso	Name: David Ongoro Ogeto ICPAK M/No: 21739	Name: Tobias Owino Were

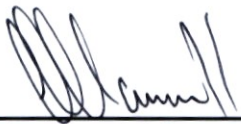


**11. Statement Of Cash Flows for The Year Ended 30th June 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	92,240,000	167,888,699
Other Receipts	3	-	-
		<b>92,240,000</b>	<b>167,888,699</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,704,680	3,637,928
Committee expenses	5	4,508,600	6,990,900
Use of goods and services	6	5,670,240	1,304,165
Transfers to Other Government Units	7	9,762,300	54,673,500
Other grants and transfers	8	58,886,849	96,760,259
Oversight Committee Expenses	10	1,274,000	-
Other Payments	11	-	-
		<b>82,806,669</b>	<b>163,366,752</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	-	-
<b>Net Adjustments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>9,433,331</b>	<b>4,521,947</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>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>9,433,331</b>	<b>4,521,947</b>
Cash and cash equivalent at BEGINNING of the year	12	5,249,174	727,227
Cash and cash equivalent at END of the year		14,682,505	5,249,174

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

---

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.  
The Constituency financial statements were approved by NG CDFC on \_\_\_\_\_  
2023 and signed by:

 _____	 _____	 _____
<b>Fund Account Manager</b>	<b>National Sub-County Accountant</b>	<b>Chairman NG-CDF Committee</b>
<b>Name: Galgalo Danso</b>	<b>Name: David Ongoro Ogeto ICPAK M/No: 21739</b>	<b>Name: Tobias Owino Were</b>



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

**12. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>	<b>2022/2023</b>	<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>	<b>2022/2023</b>	<b>2022/2023</b>		
Transfers from NG-CDF Board	158,832,745	5,249,174	23,629,059	187,710,978	97,489,174	90,221,804	
Proceeds from Sale of Assets				-	-	-	0.0%
Other Receipts				-	-	-	
<b>TOTAL RECEIPTS</b>	<b>158,832,745</b>	<b>5,249,174</b>	<b>23,629,059</b>	<b>187,710,978</b>	<b>97,489,174</b>	<b>90,221,804</b>	<b>52%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,054,914	1,240,067		5,294,981	2,704,680	2,590,301	51%
Committee expenses	5,626,000			5,626,000	5,626,000	-	
Use of goods and services	4,614,033	100,483		4,714,516	4,552,840	161,676	97%
Transfers to Other Government Units	59,494,718	1,400,000	21,789,910	82,684,628	9,762,300	72,922,328	12%
Other grants and transfers	81,702,752	2,508,624	1,839,149	86,050,525	58,886,849	27,163,676	68%
Acquisition of Assets				-	-	-	
Oversight Committee Expenses	1,340,327			1,340,327	1,274,000	66,327	95%
Other Payments	2,000,000			2,000,000	-	2,000,000	0%
<b>TOTAL</b>	<b>158,832,745</b>	<b>5,249,174</b>	<b>23,629,059</b>	<b>187,710,978</b>	<b>82,806,669</b>	<b>104,904,309</b>	<b>44.1%</b>

**Explanatory Notes.**

(a) Underutilization on transfer to other government units disbursement, other grants and transfers and other payments was due to late disbursements by the board and tender process that takes long to award.

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

---

(b) Employee salaries at 51.1% with the utilization difference being staff gratuity

(c) Other grants and transfer at 68% utilization since funds received were allocated to bursary to support needy students

(d) Strategic plan under other payments is at 0% since strategic plan has not been implemented

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	104,904,309
Less undisbursed funds receivable from the Board as at 30th June 2023	90,221,804
	14,682,505
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2022/2023	14,682,505

The Constituency financial statements were approved by NG CDFC on \_\_\_\_\_ 2023 and signed by:



Fund Account Manager

Name: Galgalo Danso



National Sub-County Accountant

Name: David Ongoro Ogeto  
ICPAK M/No: 21739



Chairman NG-CDF Committee

Name: Tobias Owino Were

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

**13. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,054,914	1,240,067		5,294,981	2,704,680	2,590,301	51%
1.2 Committee allowances	2,468,000			2,468,000	2,468,000	-	100%
1.3 Use of goods and services	3,007,051	100,483		3,107,534	3,007,051	100,483	97%
<b>Total</b>	<b>9,529,965</b>	<b>1,340,550</b>	<b>-</b>	<b>10,870,515</b>	<b>8,179,731</b>	<b>2,690,784</b>	<b>75%</b>
<b>2.0 Monitoring and evaluation</b>						-	
2.1 Capacity building	2,208,000			2,208,000	2,208,000	-	100%
2.2 Committee allowances	950,000			950,000	950,000	-	100%
2.3 Use of goods and services	1,606,982			1,606,982	1,545,789	61,193	96%
<b>Total</b>	<b>4,764,982</b>		<b>-</b>	<b>4,764,982</b>	<b>4,703,789</b>	<b>61,193</b>	<b>99%</b>
<b>3.0 Emergency</b>							
	7,636,190			7,636,190		7,636,190	0%
3.1 Primary Schools							
ORIANg MANYUANDA PRIMARY SCHOOL					600,000	(600,000)	
OSODO PRIMARY SCHOOL					500,000	(500,000)	
OSODO PRIMARY SCHOOL					500,000	(500,000)	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
3.2 Secondary schools				-		-	
3.3 Tertiary institutions				-		-	
3.4 Security projects			-	-		-	
WANG'CHIENG DIVISIONAL HEADQUARTERS					500,000	(500,000)	
KENDU BAY POLICE STATION					118,470	(118,470)	
3.5 Unutilised		298,207		298,207		298,207	
KABELA ELECTRICALS					45,360	(45,360)	
DEMUMEXE ENTERPRISES AND BUILDING CONSTRUCTION					245,545	(245,545)	
<b>Total</b>	<b>7,636,190</b>	<b>298,207</b>		<b>7,934,397</b>	<b>2,509,375</b>	<b>5,425,022</b>	<b>32%</b>
<b>4.0 Bursary and Social Security</b>				-			
4.1 Secondary Schools	31,991,460			31,991,460	26,130,550	5,860,910	82%
4.2 Tertiary Institutions	18,200,000	638,490		18,838,490	26,894,774	(8,056,284)	143%
4.3 Social Security	2,400,000			2,400,000	-	2,400,000	0%
4.4 Special Needs	3,000,000			3,000,000	70,000	2,930,000	2%
<b>Total</b>	<b>55,591,460</b>	<b>638,490</b>	<b>-</b>	<b>56,229,950</b>	<b>53,095,324</b>	<b>3,134,626</b>	<b>94%</b>
<b>5.0 Sports</b>				-		-	
Constituency Sports Tournament	2,724,645	196,476		2,921,121	2,482,150	438,971	85%
Regional Sports tournament	350,000			350,000	-	350,000	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>Total</b>	<b>3,074,645</b>	<b>196,476</b>		<b>3,271,121</b>	<b>2,482,150</b>	<b>788,971</b>	<b>76%</b>
<b>6.0 Environment</b>							
Nyawii Omuga Primary School	150,000			150,000		150,000	0%
Omindi Primary School	150,000			150,000		150,000	0%
Kital Primary School	150,000			150,000		150,000	0%
Nyanja Rateng Primary School	150,000			150,000		150,000	0%
Nyatir Primary School	150,000			150,000		150,000	0%
Kobala Primary School	800,000			800,000	800,000	-	100%
Kanyadhiang Village	1,018,513			1,018,513		1,018,513	0%
Kendu Bay Law Court	150,000			150,000		150,000	0%
B/F		75,271	139,149	214,420		214,420	0%
<b>Total</b>	<b>2,718,513</b>	<b>75,271</b>	<b>139,149</b>	<b>2,932,933</b>	<b>800,000</b>	<b>2,132,933</b>	<b>27%</b>
<b>7.0 Primary Schools Projects</b>							
Miyuga Primary School	1,150,000			1,150,000		1,150,000	0%
Mawego Primary School	1,150,000			1,150,000		1,150,000	0%
Obangla Primary School	1,150,000			1,150,000		1,150,000	0%
Soko Kagwa Primary School	2,150,000			2,150,000		2,150,000	0%
Daraja Primary School	1,650,000			1,650,000		1,650,000	0%
Mirembe Primary School	1,150,000			1,150,000		1,150,000	0%
Kanyadhiang Primary School	2,150,000			2,150,000		2,150,000	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Kanyadhiang Primary School	600,000			600,000		600,000	0%
Makaka Primary School	1,150,000			1,150,000		1,150,000	0%
Maguti Primary School	2,550,000			2,550,000		2,550,000	0%
Kital Primary School	1,150,000			1,150,000		1,150,000	0%
Rongo Nyagowa Primary School	1,150,000			1,150,000		1,150,000	0%
Otok Primary School	1,150,000			1,150,000		1,150,000	0%
Soko Kogira Primary School	1,650,000			1,650,000		1,650,000	0%
Oriang Manyunda Primary School	500,000			500,000		500,000	0%
Obilo Primary School	1,150,000			1,150,000		1,150,000	0%
Nyaola Primary School	1,650,000			1,650,000		1,650,000	0%
Omindu Primary School	1,000,000			1,000,000		1,000,000	0%
Nyabiage Primary School	2,150,000			2,150,000		2,150,000	0%
Nyanja Rateng Primary School	2,400,000			2,400,000		2,400,000	0%
Angong'a Primary School	2,550,000			2,550,000		2,550,000	0%
Nyatir Primary School	1,500,000			1,500,000		1,500,000	0%
Kibaga Primary School	1,150,000			1,150,000		1,150,000	0%
Koboo Primary School	800,000			800,000		800,000	0%
Kokoth Primary School	800,000			800,000		800,000	0%
Migunde Primary School	800,000			800,000		800,000	0%
Adita Primary School			800,000	800,000		800,000	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Bongia Primary School			800,000	800,000		800,000	0%
Kendu Muslim Primary School			1,200,000	1,200,000		1,200,000	0%
Kibugu Primary School			800,000	800,000		800,000	0%
Kital Primary School			800,000	800,000		800,000	0%
Kogembo Primary School			800,000	800,000		800,000	0%
Kogweno Primary School			800,000	800,000		800,000	0%
Lieta Primary School			1,200,000	1,200,000		1,200,000	0%
Maguti Primary School			1,200,000	1,200,000		1,200,000	0%
Ngoche Primary School			1,200,000	1,200,000		1,200,000	0%
Omolo Agar Primary School			800,000	800,000		800,000	0%
Omuga Primary School			800,000	800,000		800,000	0%
Nyamwala Primary School			800,000	800,000		800,000	0%
Nyawino Primary School			600,000	600,000		600,000	0%
Ochuoga Primary School		1,400,000		1,400,000		1,400,000	0%
<b>Total</b>	<b>36,400,000</b>	<b>1,400,000</b>	<b>12,600,000</b>	<b>50,400,000</b>	<b>-</b>	<b>50,400,000</b>	<b>0%</b>
<b>8.0 Secondary Schools Projects</b>						-	
Kendu Muslim Secondary School	9,762,300			9,762,300	9,762,300	-	100%
Simbi Mixed Secondary School	1,605,448			1,605,448		1,605,448	0%
Simbi Mixed Secondary School	300,000			300,000		300,000	0%
Kowuor Mixed Secondary School	875,657			875,657		875,657	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Kowuor Mixed Secondary School	150,000			150,000		150,000	0%
Siburi Mixed Secondary School	1,375,657			1,375,657		1,375,657	0%
Siburi Mixed Secondary School	150,000			150,000		150,000	0%
Kanyamfwa Mixed Secondary School	6,575,657			6,575,657		6,575,657	0%
Kanyamfwa Mixed Secondary School	150,000			150,000		150,000	0%
Paul Mboya High School	2,150,000			2,150,000		2,150,000	0%
Karabondi Bidii Secondary School			1,200,000	1,200,000		1,200,000	0%
St. Innocent Jonyo Secondary School			40,000	40,000		40,000	0%
Ongang Secondary School			400,000	400,000		400,000	0%
Siburi Mixed Secondary School			5,000,000	5,000,000		5,000,000	0%
St. John Seka Secondary School			1,149,910	1,149,910		1,149,910	0%
St. Josephs Miranga Secondary School			1,000,000	1,000,000		1,000,000	0%
Wagwe Mixed Secondary School			400,000	400,000		400,000	0%
<b>Total</b>	<b>23,094,718</b>	<b>-</b>	<b>9,189,910</b>	<b>32,284,628</b>	<b>9,762,300</b>	<b>22,522,328</b>	<b>30%</b>
9.0 Tertiary institutions Projects				-		-	
						-	



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>Total</b>	-		-	-	-	-	
<b>10.0 Security Projects</b>				-		-	
Kendu Bay Law Courts	4,331,945			4,331,945		4,331,945	0%
Rachuonyo North Sub County - Prison	2,000,000			2,000,000		2,000,000	0%
Rachuonyo North Sub County – Assistant County Commissioner 1 Residential House	850,000			850,000		850,000	0%
Rachuonyo North Sub County Headquarters - Deputy County Commissioner Office	500,000			500,000		500,000	0%
Rachuonyo North Sub County Headquarters - Deputy County Commissioner Office	3,000,000			3,000,000		3,000,000	0%
Kanyaluo Divisional Headquarters	2,000,000			2,000,000		2,000,000	0%
Kendu Bay Police Station			500,000	500,000		500,000	0%
Koyugi Chiefs Office			250,000	250,000		250,000	0%
North Karachuonyo Chiefs Office			250,000	250,000		250,000	0%
Wangchieng Divisional Headquarters			700,000	700,000		700,000	0%
Kendu Law Court		1,300,180		1,300,180		1,300,180	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Total</b>	12,681,945	1,300,180	1,700,000	15,682,125	-	15,682,125	0%
11.0 Acquisition of assets	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
<b>Total</b>	-	-	-	-	-	-	
12.0 Oversight Committee Expenses (itemize)							
Travel Costs (Airlines, Bus, Railway, Mileage Allowances)	200,000			200,000	200,000	-	100%
Accommodation - Domestic Travel	300,000			300,000	300,000	-	100%
Daily Subsistence Allowance	300,000			300,000	300,000	-	100%
Constituency Oversight Committee Allowances	300,000			300,000	300,000	-	100%
Refined Fuels and Lubricants for Transport	200,000			200,000	174,000	26,000	87%
Telephone, Telex, Facsimile and Mobile Phone Service	40,327			40,327		40,327	0%
<b>Total</b>	1,340,327		-	1,340,327	1,274,000	66,327	95%
13.0 Other payments							

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Karachuonyo NG-CDF Strategic Plan	2,000,000			2,000,000	-	2,000,000	0%
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>	<b>0%</b>
<b>14.0 unallocated fund</b>							
Unapproved projects						-	
AIA						-	
PMC savings							
<b>Total</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>158,832,745</b>	<b>5,249,174</b>	<b>23,629,059</b>	<b>187,710,978</b>	<b>82,806,669</b>	<b>104,904,309</b>	<b>44%</b>

... is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme  
... document is completed to enable consolidation by the National Treasury

relat  
The  
(a)  
-arts pr  
le acc

#### **14. 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-Karachuonyo Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

##### **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.

##### **Significant Accounting Policies**

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

##### **Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

*Unutilized Funds from PMCs.*

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10 June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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



*Significant Accounting Policies Continued*

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**14. Errors**

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

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

**15. Related Party Transactions**

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

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

15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
Normal Allocation	Kshs	Kshs
		33,000,000
B105687		34,000,000
B105710		16,000,000
B128532		17,000,000
B128843		18,000,000
B154041	-	15,000,000
B128842		14,000,000
B155839		12,788,699
		7,500,000
		600,000
B185090	7,000,000	
B185508	6,000,000	
B185832	15,000,000	
B206124	5,000,000	
B206378	12,000,000	
B205762	12,000,000	
B207524	18,000,000	
B207886	16,000,000	
B205649	1,240,000	
<b>TOTAL</b>	<b>92,240,000</b>	<b>167,888,699</b>

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-

***Karachuonyo Constituency***

***National Government Constituencies Development Fund (NGCDF)***

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

Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

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

*Notes To the Financial Statements (Continued)*

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,577,240	3,482,408
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	127,440	155,520
<b>Total</b>	<b>2,704,680</b>	<b>3,637,928</b>

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	364,000	1,666,900
Other committee expenses	2,448,944	5,324,000
<b>Total</b>	<b>2,812,944</b>	<b>6,990,900</b>

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

6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	19,313	256,820
Communication, supplies and services	253,487	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	190,000	600,000
Rentals of produced assets	-	-
Training expenses	2,882,250	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,253,000	-
Fuel , oil & lubricants	572,190	443,145
Other operating expenses	500,000	-
Bank Charges	-	4,200
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>5,670,240</b>	<b>1,304,165</b>

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

**Notes To The Financial Statements (Continued)**

**7. Transfer To Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	-	44,478,500
Transfers To Secondary Schools (See Attached List)	9,762,300	10,195,000
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>9,762,300</b>	<b>54,673,500</b>

**8. Other Grants and Other transfers**

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	26,130,550	54,003,099
Bursary – tertiary institutions (see attached list)	26,894,774	18,546,780
Bursary – special schools (see attached list)	70,000	-
Mock & CAT (see attached list)	-	2,475,500
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	11,200,000
Sports projects (see attached list)	2,482,150	2,145,300
Environment projects (see attached list)	800,000	1,435,580
Emergency projects (see attached list)	2,509,375	6,954,000
Roads projects (see attached list)	-	-
<b>Total</b>	<b>58,886,849</b>	<b>96,760,259</b>

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

**Notes To the Financial Statements (Continued)**

**9. Acquisition Of Assets**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**10. Oversight Committee Expenses**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
COC Members allowance	774,000	-
Other COC expenses	500,000	-
<b>TOTAL</b>	<b>1,274,000</b>	<b>-</b>

**11. Other Payments**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
ICT Hub	-	-
	-	-

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

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank, A/C no.0980265100797, Homabay Branch . (main account)</i>	14,682,505	5,249,174
<i>Name of Bank, account No. ( Deposits account)</i>	-	-
<b>Total</b>	<b>14,682,505</b>	<b>5,249,174</b>
<b>12 B: Cash on 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>		

13. 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>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>



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

*Notes to the Financial Statement Continued*

14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	KShs	KShs
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	-	-

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

15. Fund Balance B/F

	(1 <sup>st</sup> July 2023-1)	(1 <sup>st</sup> July 2023-2)
	Kshs	Kshs
Bank accounts	5,249,174	727,227
Cash in hand	-	-
Imprest	-	-
Total	5,249,174	727,227
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	5,249,174	727,227

*[Provide short appropriate explanations as necessary]*

**16. Prior Year Adjustments**

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

**17. Changes In Accounts Receivable – Outstanding Imprests**

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

**18. Changes In Accounts Payable – Deposits and Retentions**

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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

**Notes To the Financial Statements (Continued)**

**19. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**19.2: Pending Staff Payables (See Annex 2)**

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

**19.3: Unutilized Fund (See Annex 3)**

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	2,590,301	1,240,067
Committee expense	-	-
Use of goods and services	161,676	100,483
Amounts due to other Government entities (see attached list)	72,922,328	22,649,910
Amounts due to other grants and other transfers (see attached list)	27,163,676	4,887,773
Acquisition of assets	-	-
Oversight Committee Expenses	66,327	-
Other Payments ( <i>specify</i> )	2,000,000	-
Funds pending approval	-	-
<b>Total</b>	<b>104,904,309</b>	<b>28,878,233</b>

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

---

18.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	22,000	10,050,000
Total	<b>22,000</b>	<b>10,050,000</b>

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

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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

---

Annex 2 - Analysis of Pending Staff Payables

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

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

**Annex 3 – Unutilized Fund**

		Kshs	Kshs	
1.0 Administration and Recurrent	Brief description	2022/2023	2021/2022	comment
1.1 Compensation of employees	Employee salaries	2,590,301	1,240,067	Ongoing
1.2 Committee allowances		-	-	
1.3 Use of goods and services	Use of goods & services	100,483	100,483	Ongoing
<b>Total</b>		<b>2,690,784</b>	<b>1,340,550</b>	
<b>2.0 Monitoring and evaluation</b>		-		
2.1 Capacity building		-		
2.2 Committee allowances		-		
2.3 Use of goods and services	Use of goods & services	61,193		Ongoing
<b>Total</b>		<b>61,193</b>		
<b>3.0 Emergency</b>				
3.1 Primary Schools		-		
3.2 Secondary schools		-		
3.3 Tertiary institutions		-		
3.4 Security projects		-		
3.5 Unutilised				
<b>Total</b>	to cater for unforeseen circumstances	<b>5,425,022</b>	<b>298,207</b>	Ongoing
<b>4.0 Bursary and Social Security</b>				
<b>Total</b>	Bursary for the needy	<b>3,134,626</b>	<b>638,490</b>	
<b>5.0 Sports</b>		-		
Constituency Sports Tournament	sports facilitation	438,971	196,476	Ongoing
Regional Sports tournament	sports facilitation	350,000		
<b>Total</b>		<b>788,971</b>	<b>196,476</b>	

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

		Kshs	Kshs	
1.0 Administration and Recurrent	Brief description	2022/2023	2021/2022	comment
<b>6.0 Environment</b>				
Nyawii Omuga Primary School	Grants for development	150,000		Ongoing
Omindu Primary School	Grants for development	150,000		Ongoing
Kital Primary School	Grants for development	150,000		Ongoing
Nyanja Rateng Primary School	Grants for development	150,000		Ongoing
Nyatir Primary School	Grants for development	150,000		Ongoing
Kanyadhiang Village	Grants for development	1,018,513		Ongoing
Kendu Bay Law Court	Grants for development	150,000.00		Ongoing
B/F	Grants for development	214,420.00	214,420	Ongoing
<b>Total</b>		<b>2,132,933</b>	<b>214,420</b>	
<b>7.0 Primary Schools Projects</b>				
Miyuga Primary School	Grants for development	1,150,000		Ongoing
Mawego Primary School	Grants for development	1,150,000		Ongoing
Obangla Primary School	Grants for development	1,150,000		Ongoing
Soko Kagwa Primary School	Grants for development	2,150,000		Ongoing
Daraja Primary School	Grants for development	1,650,000		Ongoing
Mirembe Primary School	Grants for development	1,150,000		Ongoing
Kanyadhiang Primary School	Grants for development	2,150,000		Ongoing
Kanyadhiang Primary School	Grants for development	600,000		Ongoing
Makaka Primary School	Grants for development	1,150,000		Ongoing
Maguti Primary School	Grants for development	2,550,000		Ongoing
Kital Primary School	Grants for development	1,150,000		Ongoing
Rongo Nyagowa Primary School	Grants for development	1,150,000		Ongoing
Otok Primary School	Grants for development	1,150,000		Ongoing
Soko Kogira Primary School	Grants for development	1,650,000		Ongoing
Oriang Manyuanda Primary School	Grants for development	500,000		Ongoing



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

1.0 Administration and Recurrent	Brief description	Kshs		comment
		2022/2023	2021/2022	
Obilo Primary School	Grants for development	1,150,000		Ongoing
Nyaola Primary School	Grants for development	1,650,000		Ongoing
Omindi Primary School	Grants for development	1,000,000		Ongoing
Nyabiage Primary School	Grants for development	2,150,000		Ongoing
Nyanja Rateng Primary School	Grants for development	2,400,000		Ongoing
Angong'a Primary School	Grants for development	2,550,000		Ongoing
Nyatir Primary School	Grants for development	1,500,000		Ongoing
Kibaga Primary School	Grants for development	1,150,000		Ongoing
Koboo Primary School	Grants for development	800,000		Ongoing
Kokoth Primary School	Grants for development	800,000		Ongoing
Migunde Primary School	Grants for development	800,000		Ongoing
Adita Primary School	Grants for development	800,000		Ongoing
Bongia Primary School	Grants for development	800,000		Ongoing
Kendu Muslim Primary School	Grants for development	1,200,000		Ongoing
Kibugu Primary School	Grants for development	800,000		Ongoing
Kital Primary School	Grants for development	800,000		Ongoing
Kogembo Primary School	Grants for development	800,000		Ongoing
Kogweno Primary School	Grants for development	800,000		Ongoing
Lieta Primary School	Grants for development	1,200,000		Ongoing
Maguti Primary School	Grants for development	1,200,000		Ongoing
Ngoche Primary School	Grants for development	1,200,000		Ongoing
Omolo Agar Primary School	Grants for development	800,000		Ongoing
Omuga Primary School	Grants for development	800,000		Ongoing
Nyamwala Primary School	Grants for development	800,000		Ongoing
Nyawino Primary School	Grants for development	600,000		Ongoing
Ochuoga Primary School	Grants for development	1,400,000		Ongoing
Adita Primary School			800,000	Ongoing
Bongia Primary School			800,000	Ongoing
Kendu Muslim Primary School			1,200,000	Ongoing

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

		Kshs	Kshs	
1.0 Administration and Recurrent	Brief description	2022/2023	2021/2022	comment
Kibugu Primary School			800,000	Ongoing
Kital Primary School			800,000	Ongoing
Kogembo Primary School			800,000	Ongoing
Kogweno Primary School			800,000	Ongoing
Lieta Primary School			1,200,000	Ongoing
Maguti Primary School			1,200,000	Ongoing
Ngoche Primary School			1,200,000	Ongoing
Omolo Agar Primary School			800,000	Ongoing
Omuga Primary School			800,000	Ongoing
Nyamwala Primary School			800,000	Ongoing
Nyawino Primary School			600,000	Ongoing
Ochuoga Primary School			1,400,000	Ongoing
<b>Total</b>		<b>50,400,000</b>	<b>14,000,000</b>	
<b>8.0 Secondary Schools Projects</b>		-		
Simbi Mixed Secondary School	Grants for development	1,605,448.03		Ongoing
Simbi Mixed Secondary School	Grants for development	300,000.00		Ongoing
Kowuor Mixed Secondary School	Grants for development	875,656.70		Ongoing
Kowuor Mixed Secondary School	Grants for development	150,000.00		Ongoing
Siburi Mixed Secondary School	Grants for development	1,375,656.70		Ongoing
Siburi Mixed Secondary School	Grants for development	150,000.00		Ongoing
Kanyamfwa Mixed Secondary School	Grants for development	6,575,656.70		Ongoing
Kanyamfwa Mixed Secondary School	Grants for development	150,000.00		Ongoing
Paul Mboya High School	Grants for development	2,150,000.00		Ongoing
Karabondi Bidii Secondary School	Grants for development	1,200,000.00		Ongoing

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

		Kshs	Kshs	
1.0 Administration and Recurrent	Brief description	2022/2023	2021/2022	comment
St. Innocent Jonyo Secondary School	Grants for development	40,000.00		Ongoing
Ongang Secondary School	Grants for development	400,000.00		Ongoing
Siburi Mixed Secondary School	Grants for development	5,000,000.00		Ongoing
St. John Seka Secondary School	Grants for development	1,149,910.00		Ongoing
St. Josephs Miranga Secondary School	Grants for development	1,000,000.00		Ongoing
Wagwe Mixed Secondary School	Grants for development	400,000.00		Ongoing
Karabondi Bidii Secondary School			1,200,000	Ongoing
St. Innocent Jonyo Secondary School			40,000	Ongoing
Ongang Secondary School			400,000	Ongoing
Siburi Mixed Secondary School			5,000,000	Ongoing
St. John Seka Secondary School			1,149,910	Ongoing
St. Josephs Miranga Secondary School			1,000,000	Ongoing
Wagwe Mixed Secondary School			400,000	Ongoing
<b>Total</b>		<b>22,522,328</b>	<b>9,189,910</b>	
<b>9.0 Tertiary institutions Projects</b>		-		
		-		
<b>Total</b>		-		
<b>10.0 Security Projects</b>		-		
Kendu Bay Law Courts	Grants for development	4,331,945		Ongoing
Rachuonyo North Sub County - Prison	Grants for development	2,000,000		Ongoing

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

		Kshs	Kshs	
1.0 Administration and Recurrent	Brief description	2022/2023	2021/2022	comment
Rachuonyo North Sub County – Assistant County Commissioner 1 Residential House	Grants for development	850,000		Ongoing
Rachuonyo North Sub County Headquarters - Deputy County Commissioner Office	Grants for development	500,000		Ongoing
Rachuonyo North Sub County Headquarters - Deputy County Commissioner Office	Grants for development	3,000,000		Ongoing
Kanyaluo Divisional Headquarters	Grants for development	2,000,000		Ongoing
Kendu Bay Police Station	Grants for development	500,000		Ongoing
Koyugi Chiefs Office	Grants for development	250,000		Ongoing
North Karachuonyo Chiefs Office	Grants for development	250,000		Ongoing
Wangchieng Divisional Headquarters	Grants for development	700,000		Ongoing
Kendu Law Court	Grants for development	1300180		Ongoing
Kendu Bay Police Station			500,000	Ongoing
Koyugi Chiefs Office			250,000	Ongoing
North Karachuonyo Chiefs Office			250,000	Ongoing
Wangchieng Divisional Headquarters			700,000	Ongoing
Kendu Law Court			1,300,180	Ongoing
<b>Total</b>		<b>15,682,125</b>	<b>3,000,180</b>	
<b>11.0 Acquisition of assets</b>		-		
		-		

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

		Kshs	Kshs	
1.0 Administration and Recurrent	Brief description	2022/2023	2021/2022	comment
		-		
<b>Total</b>		-		
<b>12.0 Oversight Committee Expenses (itemize)</b>		-		
Travel Costs (Airlines, Bus, Railway, Mileage Allowances)		-		
Accommodation - Domestic Travel		-		
Daily Subsistence Allowance		-		
Constituency Oversight Committee Allowances		-		
Refined Fuels and Lubricants for Transport	COC fuel expenses	26,000		Ongoing
Telephone, Telex, Facsimile and Mobile Phone Service	Telephone Charges	40,327		Ongoing
<b>Total</b>		<b>66,327</b>		
<b>13.0 Other payments</b>		-		
Karachuonyo NG-CDF Strategic Plan	Development of constituency strategic plan	2,000,000.00		Ongoing
<b>Total</b>		<b>2,000,000</b>		
<b>14.0 unallocated fund</b>				
Unapproved projects		-		
AIA		-		
PMC savings		-		
<b>Total</b>		-		
		<b>104,904,309</b>	<b>28,878,233</b>	

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

---

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2022/2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/2023
Land	–	–	–	–
Buildings and structures	–	–	–	–
Transport equipment	13,387,004	–	–	13,387,004
Office equipment, furniture and fittings	442,000	–	–	442,000
ICT Equipment, Software and Other ICT Assets	678,495	–	–	678,495
<b>Total</b>	<b>14,507,499</b>		–	<b>14,507,499</b>

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


**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

NO.	PMC NAME PMC	Account number	Bank	DATE A/C OPENED	Bank Balance 2022/2023	Bank Balance 2021/2022
1	Kendu Muslim Secondary	980265100797	Equity Bank - Homabay		-	-
2	Kobala Primary School	980284261894	Equity Bank - Homabay		19,000.00	-
3	Osodo Primary School	15002842240175	Equity Bank- Oyugis		3,000.00	-
4	Kobuya Primary School	1500282413256	Equity Bank Ltd	16/03/2022		2,000,000.00
5	Kanyaluo Police Post	1500282408967	Equity Bank Ltd	16/03/2022		2,000,000.00
6	Kobiero Location chiefs office	1500282353875	Equity Bank Ltd	16/03/2022		1,750,000.00
7	Achuth Primary School	1500282398864	Equity Bank Ltd	16/03/2022		1,200,000.00
8	Osika Primary School	1500282420136	Equity Bank Ltd	16/03/2022		800,000.00
9	Nyakech Mixed Secondary School	1500282704418	Equity Bank Ltd	16/03/2022		600,000.00
10	Burlum Primary School	1500282442001	Equity Bank Ltd	16/03/2022		500,000.00
11	Liera Primary School	1500282416206	Equity Bank Ltd	16/03/2022		1,200,000.00
12						
13						
14						
15						
16						
17						
-	-	-	-	-	<u>22,000</u>	<u>10,050,000</u>

**Annex 6: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Karachuonyo/2021/22/001	1.0 Stale cheques	All stale cheques have been reversed in the cashbook	Resolved	8.3.23
Karachuonyo/2021/22/001	1.0 Unimplemented projects	Funds for unimplemented projects yet to be received from the board	Not Resolved	8.3.23



.....  
Name: Galgalo Danso  
Fund Account Manager.

