

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



FUNYULA CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023**

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

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

I. Acronyms and Abbreviations

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

NGCDF - National Government Constituency Development Fund

PFM - Public Finance Management

IPSAS - International Public Sector Accounting Standards

PMC - Project Management Committee

FY - Financial Year

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Funyula Constituency NGCDF day-to-day management is under the following key organs:

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

1. National Government Constituencies Development Fund Board (NGCDFB)
11. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Gregory K.Otaalo
2.	Sub-County Accountant	Paul Ojiambo
3.	Chairman NGCDFC	Andrew Odoury
4.	Member NGCDFC	Shakina Ousman

(c) Fiduciary Oversight Arrangements

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

P.O. Box 440-50406
FUNYULA –Off Kisumu- Busia
Nairobi, KENYA

(e) Funyula Constituency NGCDF Contacts

Telephone: (254) 721-925-048
E-mail: cdffunyula@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Funyula Constituency NGCDF Bankers

Equity Bank (specify the constituency account banker details)

Busia Branch

P.O.Box

Busia

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

III. NG-CDFC Chairman's Report

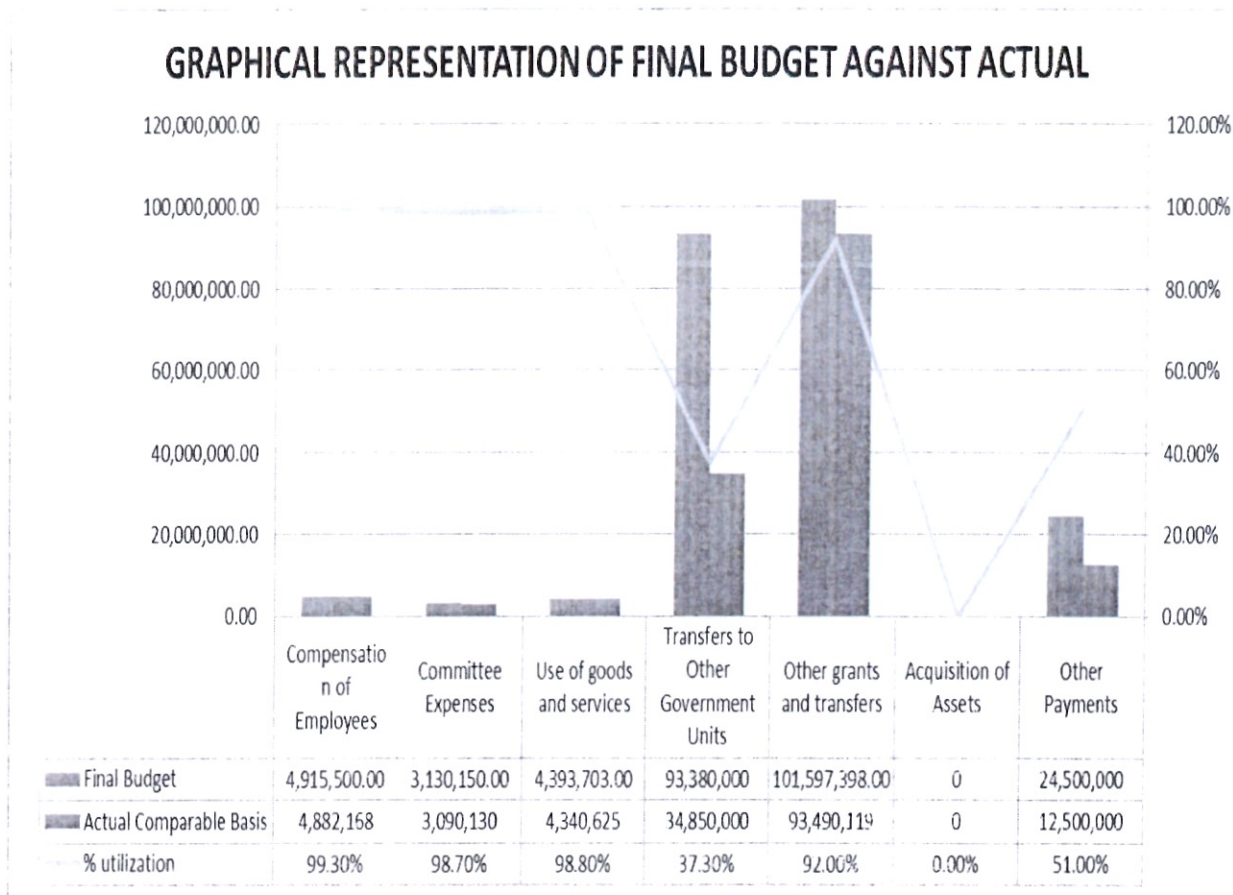


Andrew Oduory

Budget Performance

The budget performance against the actual amounts achieved an average of 61.3 % utilization for the economic classification and programmes represented as follows:

PAYMENTS	Final Budget	Actual Comparable Basis	% utilization
Compensation of Employees	4,915,500.00	4,882,168	99.3%
Committee Expenses	2,322,000	2,313,950	99.7%
Use of goods and services	4,319,703	4,654,605	99.9%
Transfers to Other Government Units	93,380,000	34,650,000	37.3%
Other grants and transfers	121,022,067	93,311,120	76.8%
Acquisition of Assets	-	-	0.0%
Oversight Committee Expenses	1,382,150	1,341,200	97.0%
Other Payments	22,500,000	12,500,000	55.6%



○ Detail key achievements for the entity (under this section use pictorials to depict successful projects undertaken during the year),

Emerging issues related to Funyula NG - CDF

i. **Covid- 19 pandemic.** The declining economic environment occasioned by the Covid 19 pandemic has led to an increase in needy students. To this effect, there’s need for additional funding to support the recovery of schools, including addressing learning gaps and providing mental help support for students.

ii. **Climate change.** Harsh environmental conditions such as drought and floods caused by climate change have severely affected school infrastructure. Building schools that are resilient to climate change effects, such as flooding or extreme weather events, is becoming increasingly important to ensure the safety of students and the longevity of the infrastructure.

iii. **Evolving education models.** Exploring and funding alternative education models, including Competency- based Curriculum, Junior Secondary School and online education, to adapt to the changing educational needs is an on-going consideration.

iv. **Digital education infrastructure.** The need for digital infrastructure in schools, including providing students with devices and improving internet access for online learning, has become more pressing due to the increasing reliance on technology in education.

v. **Insecurity.** Given the on-going security challenges in some regions, there's a growing need for additional resources to improve security measures in schools, such as the installation of surveillance systems and training for security personnel.

The implementation challenges and recommended way forward.

- **Digital education infrastructure.** Funyula NG- CDF is investing in providing schools with digital devices such as laptops and building computer laboratories. This is to enhance the current trend of digitization in learning.

- **Post- pandemic recovery.** Funyula NG- CDF has continuously allocated funds to support Covid 19 recovery in schools by issuing bursaries to needy and vulnerable students.

- **Insecurity.** Funyula NG- CDF is actively involved in mitigating the insecurity challenges within the constituency. This has been achieved by ensuring there are swift security measures such as construction of Chiefs', Assistant Chiefs' and Police Stations across the constituency.

- **Climate change.** Funyula NG- CDF has continuously adopted climate resilient construction practices. This has been achieved through collaborating with experts to design infrastructure that can withstand climate related challenges and is considering future climate change projections in planning.

- There is need to align the NG CDF Act 2015 to the Constitution of Kenya
- Need for increase of the constituency yearly allocation
- Sufficient allocation of funds to projects for completion & immediate use
- Need for timely disbursements as stipulated in the NG CDF Act 2015
- Need for continuous training of NG CDFC, NG CDFC staff, PMCs & various stakeholders on relevant government laws, regulations and procedure governing NG CDF operations.

- Need for recruitment of technical staff



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**ANDREW ODUORY OBADA
CHAIRMAN NGCDF COMMITTEE**

IV. 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 *Funyula Constituency 2018-2023* plan are to:

(Enumerate all the objectives of the constituency as per the Strategic Plan)

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:

S	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 2022/23 -we increased number of from 12 to 23 classrooms, 3 dormitories, 2 laboratories -9,345 Bursary beneficiaries at all levels benefitted
Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office	Access to quality services	<ul style="list-style-type: none"> - number of usable physical infrastructure build at the locational levels 	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office
	To have modern police stations and posts at the Constituency	Reduced crime rate	<ul style="list-style-type: none"> - Number of crimes reported 	To have modern police stations and posts at the Constituency

Funyula Constituency

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Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted - Number of sanitary facilities constructed	During the financial year 2022-2023, Funyula NGCDFC constructed 18 sanitary facilities
Sports	Harnessing youth and women talent	Increased youth and women talents	- Numbers of tournaments held	Funyula NG-CDF normally hold sports activities in the month of December
Emergency	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Funyula NGCDF committee allocated Kshs. 7.6M million under the emergency kitty to cater for the same
Others(Specify)				

V. Statement of Governance

Process of appointment of NG-CDF Member

1. Members of the Constituency committee are selected under section 43(2) (b), (c) and (d) of the Act.
2. The constituency committee members are selected by a constituency selection panel established under paragraph (4) in the event of vacancy.
3. A vacancy occurs in the constituency upon the
 - ❖ Commencement of a new parliamentary term
 - ❖ Dissolution of the committee
 - ❖ Removal of a member
 - ❖ Or occurrence of a vacancy
4. The selection panel reviews applications and selects 5 applicants based on various factors, including age, gender, special interest group and regional balance.
5. The officer seconded to the constituency submits selected candidates' names and the selection panel's report to the board.
6. The board co-opts a person to ensure equitable representation in the committee's membership.
7. The board requests the National Assembly's clerk to nominate 2 individuals of either gender for the committee.
8. The board submits the names of 7 selected persons to the National Assembly for approval, in accordance with the Act provisions.
9. After approval, the board appoints Constituency Committee members within 14 days through gazettes notice.

Qualifications of an NG-CDF Member

1. Is a citizen of Kenya
2. Ordinarily a resident and a voter within the constituency
3. Able to read and write and communicate in English and Kiswahili
4. Meets the requirement of chapter 6 of the constitution
5. Available to participate in the activities of constituency committee
6. Persons who served in constituency committee constituted under fund manager or served in leadership position in the community will have an added advantage.

NG-CDF Committees, Composition and roles

Section 43 of the NG-CDF Act establishes the NG-CDF Committee (NG-CDFC) for every constituency, composed of: -

- the National Government official responsible for co-ordination of national government functions;
- Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment.
- Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment:
- One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3)
- Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act
- The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- One member co-opted by the Board in accordance with Regulations made by the Board

NB: The “youth” as per Section 2 of the Act means a person who has attained the age of 18 years but has not attained the age of thirty-five years.

Roles of the NG-CDF Committee

1. Capacity build Project Management Committees and sensitize the Community on the operations of the Fund
2. Consider all project proposals from all wards in the constituency and any other projects which the Committee considers beneficial to the constituency
3. Ensure that all projects proposed and approved for funding meets the requirements of Section 24 of the Act.
4. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
5. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
6. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board
7. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level
8. Ensure labelling of projects as per guidelines issued by the Board
9. Recruit staff as per Section 45 of the Act.

Meetings:

The committee is required to convene a minimum of six meetings and a maximum of twenty-four, including sub-committee meetings.

Member Removal:

Grounds for removing a committee member include:

- i. Lack of integrity
- ii. Gross misconduct
- iii. Embezzlement of public funds
- iv. Bringing disrepute to the committee through unethical practices or unbecoming personal conduct
- v. Causing disharmony within the committee, or physical or mental infirmity.

Policy on Conflict of Interest

Funyula NG- CDF is dedicated to upholding the highest standards of integrity and accountability in all its operations. To this end, we maintain a robust conflict of interest policy that obliges all NG-CDFC members, employees and stakeholders to declare any potential conflicts of interest promptly. We emphasize that the fundamental principle of this policy is to avoid conflict of interest all together, thus ensuring that decisions and actions are made solely in the best interest of our community and without any personal gain. We are proud to report that, to date, no conflict of interest has been identified, affirming our commitment to transparency and ethical conduct in the pursuit of our development goals.

Risk management

IMPORTANT CONCEPTS

Risk Management - Is the process of dealing with uncertainty and trying to achieve the best outcome possible for the organization. This process includes:

Risk Analysis - Identifying risks, analysing potential consequences, and setting priorities for action.

Risk Response

- Developing and implementing an action plan to address risk

Risk Assessment - Is the methodology of determining the nature and extent of risk by analysing potential hazards and evaluating existing conditions of vulnerability that together could potentially harm exposed people, property, services, livelihoods and the environment on which they depend.

Risk Reduction - Is the concept and practice of reducing disaster risks through systematic efforts to analyse and manage the casual factors of disasters, including though reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events

PURPOSE OF Funyula NG- CDF RISK MANAGEMENT POLICY

The purpose of this is to outline the procedures and organizational arrangements that will embed/establish and maintain risk management at Funyula NG-CDF so as to address unanticipated and unintended losses to Funyula NG-CDF human resources, financial assets, and property without unnecessarily limiting the activities that advance the mission and goals. Some level of risk is not only expected in normal everyday activities but can be beneficial

The risk management policy is built on the premise of continual improvement in order to facilitate prudent assessment and treatment of risks that the office may encounter in the pursuit of its mandate.

However, acceptance of risk shall not include:

1. Wilful exposure of projects, employees' assets to unsafe environments or activities
2. Intentional violation of law
3. Wilful violation of contractual obligations
4. Unethical behaviour.

Categories of risks managed through the Risk Management Policy Framework include:

- Compliance Risk - Affect compliance with laws and regulations, staff safety, environmental issues, litigation, conflicts of interest etc.
- Reputational Risks - Affect reputation, public perception
- Political Risks – Affect stability of political structure and policies
- Financial Risk - Affect loss of funds and inability to account for the funds
- Operational Risk - Affect on-going management processes and procedures
- Environmental Risk - Affect air, water, soil or biological food chains to man

INTENT

The Funyula NG-CDF Risk Management Policy shall provide a commitment to a culture in which opportunities may be seized and risks taken, in a risk aware manner across the entire Authority, with risk management being fundamental/deep seated to management practice.

SCOPE

This policy shall apply to all NG-CDF stakeholders and also apply strategic and operational activities.

OBJECTIVES

The objectives of the Funyula NG- CDF Risk Management Policy are to provide a strategy against which:

1. The NG-CDF team leads by example with sound risk management practice
2. All NG-CDF staff support a risk aware culture
3. All the high inherent risk are identified, analysed, managed, monitored and reported on continuously.

Funyula NG-CDF RISK MANAGEMENT (RM) PRINCIPLES. The aim of Risk Management Policy is to strengthen the proper management of risks through proactive risk identification, risk management, and risk acceptance pertaining to all activities carried out by Funyula NG-CDF.

The Risk Management Policy is intended to:

1. Ensure that major risks are reported to the NG-CDFC and the NG-CDF board for review and acceptance
2. Result in the management of those risks that may significantly affect the pursuit of the stated strategic goals and objectives.
3. Embed a culture of evaluating and identifying risks at multiple levels
4. Provide a consistent risk management framework in which the risks pertaining to NG-CDF activities and functions are identified, considered, and addressed in key approval, review and control processes
5. Inform and improve on timely decision-making
6. Meet legal and regulatory requirements
7. Assist in safeguarding NG-CDF assets to include people, finance, property and reputation
8. Ensure that existing and emerging risks are identified and managed within acceptable risk tolerances
9. To establish a policy/legal and institutional framework for management of disasters, including promotion of a culture of disaster risk reduction, at all levels
10. To ensure that the institutions and activities for disaster risk management are coordinated, focused to foster participatory partnerships between the government and other stakeholders at all levels.
11. To promote linkage between risk management and sustainable development for reduction of vulnerability to hazards and disasters.
12. To mobilise resources, including establishment of specific funds for disaster risk reduction strategies and programs like the emergency reserve fund

IMPLEMENTATION FRAMEWORK S AND PROCEDURES

It is expected that risk management processes will be embedded into the NGCDF's management systems and processes.

All risk management efforts will be focused on supporting the institution's objectives. Therefore the risk management framework and associated procedures will include:

1. Formal and on-going identification of risk that impact the institution's goals
2. Development of risk management plans
3. Monitoring the progress of managing risk
4. Periodic updates of risk management plans

5. An organization process for risk analysis and response
6. Assignment of specific risk responsibilities and performance accountability.
7. A workplace culture where every employee understands risk and their role in addressing it. RISK

MANAGEMENT METHODOLOGY

Risk may be managed by using one or more of the following methods:

1. Avoid (eliminate, withdraw from or do not become involved in an activity creating risk)
2. Retain (accept the risk and plan for the expected impact creating risk)
3. Transfer/share (move the risk to another party by hedging against undesired outcome or reduce the risk through processes such as insurance) and,
4. Reduce (control the risk through additional or optimized controls)

OVERSIGHT

The risk management ad hoc subcommittee shall have sufficient authority to ensure high-level management of the institution's risk management efforts and shall provide oversight to implementation of the risk management policy and review major risks on behalf of the NG-CDF

ACCOUNTABILITY

The NG-CDF management framework and procedures shall be reviewed annually. Periodic reviews for compliance with the system wide guidelines shall also be conducted by the district internal audit, Kenya National Audit Office and NG-CDF Board Internal Audit or a similar accountability responsibility

COMMITMENT TO EFFECTIVE RISK AT Funyula NG-CDF

Funyula NG-CDF is committed to building an organisational culture where risk awareness and active and effective risk management form an integral part of NGCDFC's activities and a core management responsibility

Effect risk management requires: }

- A strategic focus }
- Forwarding thinking and proactive approaches to management }
- Adequate consideration of the cost of managing risk with the expected benefits }
- Contingency planning for the eventually in case the threats materialize

REPORTING TO THE NG-CDF

The NG-CDF shall submit reports on risk management to the NG-CDF Board on quarterly basis on the risk management process, in order to seek the boards " concurrence on action taken or further guidance.

VI. Environmental and Sustainability Reporting

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

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

○ Construction of Assistant Chief's office

The construction of assistant Chief's offices, supported by NG- CDF Funyula's, has significantly improved community security. Enhanced security indirectly contributes to environmental conservation by reducing criminal activities that may harm the environment, such as deforestation.

○ Sponsorship of sports activities and tournaments.

NG- CDF Funyula's sponsorship of sports activities and tournaments serves as a platform for community cohesion and awareness. These events are utilized to educate the community, particularly the youth, on the importance of environmental conservation and sustainable practices.

○ Sensitization efforts on the impact of drug abuse and environmental conservation matters.

Our efforts in sensitizing the youth and the broader community on the impact of drugs through ward forums, sporting activities, bursary presentation, training forums for staff and PMC's addresses critical social issues with potential environmental repercussions. Substance abuse often leads to environmental degradation, particularly through illegal drug cultivation, which can harm the local ecosystem.

3. Employee welfare

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

Funyula 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-

Funyula 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.

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


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GREGORY KEYA OTAALO
Fund Account Manager.

VII. Statement Of Management Responsibilities

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

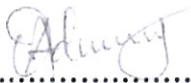
The Accounting Officer in charge of the NGCDF-Funyula Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. 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-Funyula 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- Funyula 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 Funyula Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Funyula Constituency financial statements were approved and signed by the Accounting Officer on 21/09 2023.



.....
Name: ANDREW ODUORY
Chairman – NGCDF Committee



.....
Name: GREGORY K. OTAALO
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 - FUNYULA 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, gazetted 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 set out on pages 1 to 43, 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 a summary statement of appropriation, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Funyula 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

Unsupported Expenditure on Bursaries

The statement of receipts and payments, and as disclosed in Note 8 to the financial statements, reflects a balance of Kshs.92,952,089 in respect of other grants and transfers which, includes Kshs.77,493,178 and Kshs.714,670 being bursary disbursements to Secondary Schools and Tertiary Institutions respectively totalling Kshs.78,207,848. However, receipts and acknowledgement letters from the beneficiary institutions amounting to Kshs.77,972,849 were not provided to confirm receipt of the disbursements.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.77,972,849 on bursaries 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 - Funyula 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 summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.249,841,420 and Kshs.153,969,558 respectively resulting to an under-funding of Kshs.95,871,862 or 38% of the budget. Similarly, the Fund spent Kshs.153,653,042 against actual receipts of Kshs.153,969,558 resulting to an under-utilization of Kshs.316,516.

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

My opinion is not modified in respect of 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 Matter

Unresolved Prior Year Audit Matters

In the audit report for the previous year, several issues were raised under the Report on financial statements and other matters. However, although Management has indicated that the issues have been resolved by way of revised financial statements, the revised set of financial statements was not provided for audit review. No explanation was provided for the failure to adhere to the requirements of the Public Sector Accounting Standards Board templates.

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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Project Implementation

The Fund had planned to implement thirty-four (34) projects with an approved budget of Kshs.124,453,083. However, out of this number, nine (9) projects with an estimated cost of Kshs.35,541,777 or 28% of the projects were incomplete while two (2) projects with an estimated cost of Kshs.2,381,107 or 2 % had not been started.

In the circumstances, value for money was not achieved from the projects that were incomplete or had not started.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

28 May, 2024

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

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

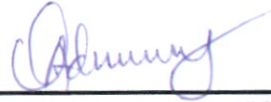
	Note	2022-2023	2021-2022
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	72,735,790	154,853,089
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		72,735,790	154,853,089
PAYMENTS			
Compensation of employees	4	4,882,168	2,764,773
Committee expenses	5	2,313,950	9,558,751
Use of goods and services	6	4,813,635	3,833,756
Transfers to Other Government Units	7	34,850,000	33,300,000
Other grants and transfers	8	92,952,089	54,949,215
Acquisition of Assets	9	-	-
Oversight Committee Expense	10	1,341,200	-
Other Payments	11	12,500,000	-
TOTAL PAYMENTS		153,653,042	104,406,495
SURPLUS/DEFICIT		(80,917,252)	50,446,594

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 21/09/2023 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

GREGORY OTAALO

Name: PAUL OJIAMBO
ICPAK M/No:

Name: ANDREW ODUORY

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

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


FINANCIAL STATEMENTS			
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	1,284,466 ✓	81,233,769 <i>SB</i>
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		1,284,466 ✓	81,233,769 <i>SB</i>
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		1,284,466 ✓	81,233,769 <i>SB</i>
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		1,284,466 ✓	81,233,769 <i>SB</i>
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	81,233,768 ✓	30,787,174 <i>SB</i>
Prior year adjustments	16	967,950 ✓	
Surplus/Deficit for the year		(80,917,252) ✓	50,446,594
NET FINANCIAL POSITION		1,284,466 ✓	81,233,768 <i>SB</i>

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 21/09/2023 and signed by:


Fund Account Manager

GREGORY OTAALO


National Sub-County Accountant

Name: PAUL OJIAMBO
ICPAK M/No:


Chairman NG-CDF Committee


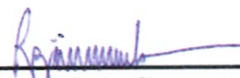

Name: ANDREW ODUORY

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

Receipts from operating activities			
Transfers from NGCDF Board	1	72,735,790	154,853,089
Other Receipts	3	-	-
		72,735,790	154,853,089
Payments for operating activities			
Compensation of Employees	4	4,882,168	2,764,773
Committee expenses	5	2,313,950	9,558,751
Use of goods and services	6	4,813,635	3,833,756
Transfers to Other Government Units	7	34,850,000	33,300,000
Other grants and transfers	8	92,952,089	54,949,215
Oversight Committee Expense	10	1,341,200	-
Other Payments	11	12,500,000	-
		153,653,042	104,406,495
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	967,950	-
Net Adjustments		-	-
Net cash flow from operating activities		(79,949,302)	50,446,594
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(79,949,302)	50,446,594
Cash and cash equivalent at BEGINNING of the year	15	81,233,768	30,787,174
Cash and cash equivalent at END of the year	12	1,284,466	81,233,768

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 21/09/2023 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
GREGORY OTAALO	Name: PAUL OJIAMBO ICPAK M/No:	Name: ANDREW ODUORY

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

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

	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
		B	C				
	2022-2023	Opening Balance (C/D) AIA	Previous Years Outstanding Disbursements	2022-2023	2022-2023	e-d	f-d/c %
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	
Transfers From NGCDF Board	138,215,033	82,201,718	29,424,669	249,841,420	153,969,558	94,435,961	61.6%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
Totals	138,215,033	82,201,718	29,424,669	249,841,420	153,969,558	94,435,961	61.6%
Payments							
Compensation Of Employees	4,915,500			4,915,500.00	4,882,168	33,332	99.3%
Committee Expenses	2,322,000			2,322,000.00	2,313,950	8,050	99.7%
Use Of Goods and Services	3,819,703		500,000	4,319,703.00	4,813,635	(493,932)	111.4%
Transfers To Other Government Units	49,930,000	43,450,000		93,380,000.00	34,850,000	58,530,000	37.3%
Other Grants and Transfers	65,845,680	38,751,718	16,424,669	121,022,067	92,952,089	28,069,978	77.4%
Acquisition Of Assets	0			-	-	-	0.0%
Oversight Committee Expense	1,382,150			1,382,150.00	1,341,200	40,950	97.0%
Other Payments	10,000,000		12,500,000	22,500,000.00	12,500,000	10,000,000	55.6%
Totals	138,215,033	82,201,718	29,424,669	249,841,420	153,653,042	96,188,378	61.5%

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

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

Explanatory Notes.

- (a) [The underutilization was as a result of late disbursement of funds to the Constituency.
 (b) The adjustment column is the opening balance of Kshs. 81,233,768 as at 1st July, 2022 plus amount owing to the constituency as at 30th June 2022 of Ksh. 29,424,699 during the year under review.
 (c) The utilization difference of Ksh. 96,188,377 and the closing cashbook balance of Ksh. 1,284,465 as at 30th June, 2023 plus the amount owing to the Constituency as at 30th June, 2023 of Ksh. 94, 903,911
 (Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	96,188,377
Less undisbursed funds receivable from the Board as at 30 th June 2023	94,903,911
	1,284,465
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	1,284,465

The Constituency financial statements were approved by NG CDFC on 21/09/2023 and signed by:


 Fund Account Manager

Name: GREGORY OTAALO


 National Sub-County Accountant

Name: PAUL OJIAMBO
 ICPAK M/No:


 Chairman NG-CDF Committee

Name: ANDREW ODUORY

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

XIII. Budget Execution by Sectors and Projects For The Year Ended 30th June 2023

Programme/Strategic Objective	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/B) At	Previous Years Outstanding Disbursement			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,915,500			4,915,500	4,882,168	33,332
1.2 Committee allowances	1,068,000		-	1,068,000	1,660,000	(592,000)
1.3 Use of goods and services	2,309,402		500,000	2,809,402	2,780,753	28,649
Total	8,292,902		500,000	8,792,902	9,322,921	(530,019)
2.0 Monitoring and evaluation						
2.1 Capacity building	574,000			574,000	574,000	-
2.2 Committee allowances	680,000			680,000	653,950	26,050
2.3 Use of goods and services	1,510,301			1,510,301	1,458,882	51,419
Total	2,764,301		-	2,764,301	2,686,832	77,469
3.0 Emergency	7,636,190	967,950	6,000,000	14,604,140	5,951,866	8,652,274
3.1 Primary Schools		-	-	-	-	-
3.2 Secondary schools		-	-	-	-	-
3.3 Tertiary institutions		-	-	-	-	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.4 Security projects	-	-	-	-	-	-
4.0 Bursary and Social Security	-	-	-	-	-	-
4.1 Primary Schools						
4.2 Secondary Schools	37,076,189	33,054,308	10,424,669	80,555,166	77,493,178	3,061,988
4.3 Tertiary Institutions	8,300,000	393,670		8,693,670	714,670	7,979,000
4.4 Universities		3,600,000		3,600,000	3,600,000	-
4.5 Social Security				-	-	
Total	45,376,189	37,047,978	10,424,669	92,848,836	81,807,848	11,040,988
5.0 Sports						
5.1	2,764,301			2,764,301	2,456,600	307,701
5.2						-
Total	2,764,301			2,764,301	2,456,600	307,701
6.0 Environment				15	-	15
ST.PETER BUSIBI GIRLS	650,000			650,000	-	650,000
BURUDU PRIMARY	650,000	-	-	650,000	-	650,000
HAKATI PRIMARY	650,000	-	-	650,000	-	650,000
Total						1,950,015
7.0 Primary Schools Projects (List all the Projects)						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
SIBINGA PRIMARY	3,300,000			3,300,000		3,300,000
SIFUYO PRIMARY	1,800,000			1,800,000		1,800,000
MUDOMA PRIMARY	1,800,000			1,800,000		1,800,000
MOODY AWOURY PRIMARY	3,000,000			3,000,000	2,000,000	1,000,000
NYAKHOBİ PRIMARY	2,580,000			2,580,000		2,580,000
SIBINGA PRIMARY	1,400,000			1,400,000		1,400,000
BUKIRI PRIMARY	1,400,000			1,400,000		1,400,000
BUKEKO PRIMARY	1,400,000			1,400,000		1,400,000
BUBURI PRIMARY	1,400,000			1,400,000		1,400,000
BUNJWANGA PRIMARY	3,000,000			3,000,000		3,000,000
BUKHULUNGU PRIMARY	1,300,000			1,300,000		1,300,000
NANGINA MIXED PRIMARY	2,800,000			2,800,000		2,800,000
WAKHUNGU PRIMARY	1,400,000			1,400,000		1,400,000
BUMBE PRIMARY	1,400,000			1,400,000		1,400,000
BUSIJO INTER. PRIMARY	1,400,000			1,400,000		1,400,000
NAMUDURU PRIMARY	1,400,000			1,400,000		1,400,000
NABUGANDA PRIMARY	1,800,000			1,800,000		1,800,000
BUJWANGA PRIMARY		4,000,000		4,000,000	4,000,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
SIGULU PRIMARY		1,300,000		1,300,000	1,300,000	-
NAMBOBOTO PRIMARY		2,000,000		2,000,000	2,000,000	-
MILIMANI PRIMARY		2,150,000		2,150,000	2,150,000	-
Total	32,580,000	9,450,000	-	42,030,000	11,450,000	30,580,000
8.0 Secondary Schools Projects (List all the Projects)						
NAMUNYENDA SEC. SCHOOL	3,700,000			3,700,000		3,700,000
ST.CHRISPINE GIRLS SEC.SCH	1,500,000			1,500,000		1,500,000
SIGALAME HIGH SCHOOL	4,000,000			4,000,000		4,000,000
NYAKHOBI SEC. SCHOOL	2,600,000			2,600,000		2,600,000
NAMUDURU GIRLS SEC. SCH	1,050,000			1,050,000		1,050,000
SIJOWA SEC. SCHOOL	1,700,000			1,700,000		1,700,000
MAMBOBOTO BOY SEC SCH	1,500,000			1,500,000		1,500,000
SIJOWA SEC. SCHOOL	1,300,000			1,300,000		1,300,000
MAMBALE RC Secondary		3,400,000		3,400,000		3,400,000

Funyu Constituency

Nation... Government Constituencies Development Fund (NGCDF)

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
NAMUDURU GIRLS SEC. SCH		3,400,000		3,400,000	3,400,000	-
NAMBOBOTO BOYS SEC SCHO		2,000,000		2,000,000	2,000,000	-
SIJOWA SEC. SCHOOL		3,400,000		3,400,000		3,400,000
ST. CLARES GIRLS NANDEREMA		3,800,000		3,800,000	3,800,000	-
MURAMBA SECONDARY SCH		2,900,000		2,900,000	2,900,000	-
ST. JOSEPH GANJALA		1,800,000		1,800,000	-	1,800,000
ST. MARK BUKIRI		1,800,000		1,800,000	1,800,000	-
ST. STEPHEN BUJWANGA		9,500,000		9,500,000	9,500,000	-
Total	17,350,000	32,000,000	-	49,350,000	23,400,000	25,950,000
9.0 Tertiary institutions Projects (List all theProjects)						
10.0 Security Projects						
SIO PORT DIVISIONAL	1,400,000	-	-	1,400,000	-	1,400,000
SIO PORT DIVISIONAL	3,000,000	-	-	3,000,000	-	3,000,000
NAMUDURU POLICE STA	700,000	-	-	700,000	-	700,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) AIA	and Previous Years' Outstanding Disbursements			
GANGA POLICE STATION	600,000	-	-	600,000	-	600,000
BUKIRI POLICE STATION	1,000,000			1,000,000		1,000,000
BUJWANGA ASS. CHIEF	250,000	-	-	250,000	-	250,000
MAMBOBOTO CHIEF's	1,169,000	-	-	1,169,000	-	1,169,000
Total	8,119,000	-	-	8,119,000	-	8,119,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
Oversight Committee Expense	1,382,150		-	1,382,150	1,341,200	40,950
12.0 Others						
STRATEGIC PLAN	2,000,000	-	-	2,000,000	-	2,000,000
NANGOGA VILLAGE	2,500,000	-	-	2,500,000	-	2,500,000
BUMBE A VILLAGE	2,500,000	-	-	2,500,000	-	2,500,000
BUDENGE &SIBINGA	1,500,000	-	-	1,500,000	-	1,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
BUBANGO&DAHIRO VILLAGE	1,500,000			1,500,000	-	1,500,000
ELECTRICITY PROJECTS	-	-	12,500,000	12,500,000	12,500,000	
Total	10,000,000	-	12,500,000	22,500,000	12,500,000	10,000,000
Funds pending approval**						
Total	138,215,033	82,201,718	29,424,669	248,459,270	153,653,042	96,188,378

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

ΔIV. 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-Funyula Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th 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 30th June 2023.

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
Normal Allocation		
AIE NO. B 140878	-	33,000,000
AIE NO. B 105430	-	44,000,000
AIE NO. B 105758	-	22,000,000
AIE NO. B 132490	-	5,000,000
AIE NO. B 128802		12,000,000
AIE NO. B 154400	-	12,000,000
AIE NO. B 154293	-	26,853,089
AIE NO. A 895093	15,235,790	-
AIE NO. B 185051	7,000,000	-
AIE NO. B 185592	21,000,000	-
AIE NO. B 185879	5,000,000	-
AIE NO. B 206336	12,000,000	
AIE NO. B205722	12,000,000	-
AIE NO. B 205648	500,000	-
	-	-
TOTAL	72,735,790	154,853,089

2. Proceeds From Sale of Assets

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

3. Other Receipts

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

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,747,480 ✓	2,538,453 <i>OB</i>
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	1,921,428 ✓	-
Employer Contributions Compulsory national social security schemes	213,260 ✓	226,320 <i>OB</i>
TOTAL	4,882,168 ^	2,764,773 ^

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,660,000 ✓	3,514,751 <i>OB</i>
Other committee expenses	653,950 ✓	6,044,000 <i>OB</i>
Total	2,313,950 ^	9,558,751 ^

6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	212,438 ✓	-
Communication, supplies and services	425,000 ✓	3,433,756 <i>0B</i>
Domestic travel and subsistence	280,510 ✓	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets		-
Training expenses	574,000 ✓	-
Hospitality supplies and services	166,100	-
Insurance costs	-	-
Specialized materials and services	16,030 ✓	-
Office and general supplies and services	611,915 ✓	-
Fuel , oil & lubricants	648,230 ✓	400,000 <i>AB</i>
Other operating expenses	1,455,400 ✓	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	398,012 ✓	-
Routine maintenance- other assets	26,000 ✓	-
TOTAL	4,813,635 <i>^</i>	3,833,756 <i>^</i>

Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	11,450,000 ✓	18,600,000 <i>OB</i>
Transfers to Secondary Schools	23,400,000 ✓	12,200,000 <i>OB</i>
Transfers to Tertiary Institutions	-	2,500,000
TOTAL	34,850,000 ^	33,300,000 ^

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	77,493,178 ✓	37,595,472 <i>OB</i>
Bursary -Tertiary (see attached list)	714,670 ✓	8,689,760 <i>OB</i>
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security program (NHIF)	3,600,000 ✓	-
Security Projects (see attached list)	-	-
Sports Projects (see attached list)	2,456,600 ✓	2,741,777 <i>OB</i>
Environment Projects (see attached list)	2,735,775 ✓	-
Emergency Projects (see attached list)	5,95,866 ✓	5,922,206 <i>OB</i>
Roads Projects	-	-
TOTAL	92,952,089 ^	54,949,215 ^

Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

Non Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	-	-

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	1,341,200	-
Other COC expenses	-	-
		-
TOTAL	1,341,200	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Electricity Project	12,500,000	-
TOTAL	12,500,000	-

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Busia Branch 0780292650348	1,284,466	81,233,768
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	1,284,466	81,233,768
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<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>
		Kshs	Kshs	Kshs
<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	-	-	-
Total		-	-	-

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

Notes to the Financial Statement Continued

14.

14 A. Retention

	2022-2023	2021-2022
	KShs	KShs
Retention as at 1st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

14 B .Gratuity

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

15. Fund Balance B/F

	2022-2023	2021-2022
	Kshs (1/7/2022)	Kshs (1/7/2021)
Bank accounts	81,233,768	30,787,174
Cash in hand	-	-
Imprest	-	-
TOTAL	81,233,768	30,787,174

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	81,233,768	967,950	82,201,718
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	81,233,768	967,950	82,201,718

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

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

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	33,332 ✓	895,227 OB
Use of goods and services	8,050 ✓	85,492 OB
Committee Expenses	6,068 ✓	-
Amounts due to other Government entities (see attached list)	56,530,000 ✓	35,650,000 OB
Amounts due to other grants and other transfers (see attached list)	30,069,978 ✓	61,527,719 OB
Acquisition of assets	-	-
Oversight Committee Expenses	40,950 ✓	-
Others (Electricity Projects)	8,000,000 ✓	12,500,000 OB
Strategic plan	2,000,000 ✓	-
Funds pending approval	-	-
Total	96,688,378 ✓	110,658,438 OB

18.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	9,849,801.00	15,017,557.00
Total	9,849,801.00	15,017,557.00

XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees	Payment of monthly staff salary	33,332	895,227	
Use of goods & services	Purchase of office stationery	6,068	85,491	
Committee Expenses	Payment of committee sitting allowances	8,050	-	
Sub-Total		47,450	980,718	
Amounts due to other Government entities				
Primary Projects				
SEREKERESI PRIMARY	Equipping borehole		500,000	
BUNJWANGA PRIMARY	Construction of tuition block		4,000,000	
SIGULU PRIMARY	Renovation of 2no Classroom		1,300,000	
MILIMANI PRIMARY	Construction of 2No classroom		2,150,000	
MOODY AWORI PRIMARY	Construction of tuition block		2,000,000	
SIBINGA PRIMARY	Drilling and equipping borehole with solar pumping system	3,300,000		
SIFUYO PRIMARY	Renovations of 4No. Classrooms	1,800,000		
MUDOMA PRIMARY	Renovations of 4No. Classrooms	1,800,000		
MOODY AWOURY PRIMARY	Co-funding of completion of double-storey block of 16No	1,000,000		
NYAKHOBI PRIMARY	Renovations of 4No. Classrooms.	2,580,000		
SIBINGA PRIMARY	Construction of 1No. Classroom with capacity of 50no pupils	1,400,000		
BUKIRI PRIMARY	Construction of 1No. Classroom with capacity of 50no pupils	1,400,000		
BUKEKO PRIMARY	Construction of 1No. Classroom with capacity of 50no pupils	1,400,000		
BUBURI PRIMARY	Construction of 1No. Classroom with capacity of 50no pupils	1,400,000		
BUNJWANGA PRIMARY	Completion of 8No. double-storey	3,000,000		

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
BUKHULUNGU PRIMARY	Renovation of 2No. Classrooms with capacity of 50no	1,300,000		
NANGINA MIXED PRIMARY	Construction of 2No. Classrooms capacity of 100 No Pupils	2,800,000		
WAKHUNGU PRIMARY	Construction of 1No. Classroom with capacity of 50no pupils	1,400,000		
BUMBE PRIMARY	Construction of 1No. classroom with capacity of 50no	1,400,000		
BUSIJO INTER. PRIMARY	Construction of 1No. classroom	1,400,000		
NAMUDURU PRIMARY	Renovation of 4No. Classrooms	1,400,000		
NABUGANDA PRIMARY	Renovation of 4 classrooms	1,800,000		
TOTAL		30,580,000	9,950,000	
NAMUNYENDA SEC. SCHOOL	Construction of 80NO student capacity	3,700,000		
ST.CHRISPINE GIRLS SEC.SCH	Equipping of school borehole with solar pumping system	1,500,000		
SIGALAME HIGH SCHOOL	Construction of 120 pax double storey dormitory	4,000,000		
NYAKHOBI SEC. SCHOOL	Co-funding of double storey tuition block-ground floor walling	2,600,000		
NAMUDURU GIRLS SEC. SCH	Completion of administration block	1,050,000		
SIJOWA SEC. SCHOOL	Completion of administration block	1,700,000		
MAMBOBOTO BOY SEC SCH	Construction of ablution block with capacity of 100	1,500,000		
SIJOWA SEC. SCHOOL	Renovation of 3 classrooms	1,300,000		
MAMBALE RC Secondary	Completion of 2No. Classrooms	3,400,000		
SIJOWA SEC. SCHOOL	Completion of 2No. Classrooms	3,400,000		
ST. JOSEPH GANJALA		1,800,000		
MURAMBA SEC. SCHOOL	Completion of 2No. Classrooms		2,900,000	
NAMUDURU SEC. SCHOOL	Construction of laboratory		3,400,000	
NAMBALE RC SEC.SCHOOL	Construction of laboratory		3,400,000	

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
ST.GABRIEL WAKHUNGU	Construction of laboratory		3,400,000	
ST. CLARES NANDEREMA GIRLS	Construction of Dormitory		3,800,000	
NYAKHOBI SEC. SCHOOL	Construction of tuition block		2,000,000	
SIJOWA SEC. SCHOOL	Construction of laboratory		3,400,000	
ST. JOSEPHS GANJALA SEC. SCHOOL	Completion of Classrooms		1,800,000	
ST. MARK BUKIRI SEC. SCHOOL	Completion of tuition block		1,800,000	
ST., STEPHENS BUJWANGA SEC.SCH	Construction of tuition block		9,500,000	
Sub-Total		25,950,000	35,400,000	
Amounts due to other grants and other transfers				
Emergency	To cater for unforeseen occurrences in the constituency	7,684,324	5,351,086	
Bursary Secondary School	To cater for needy a bright students in secondary schools	3,061,988	20,341,702	
Bursary Tertiary institutions	To cater for needy a bright students in tertiary Institutions	7,979,000	23,399,142	
Sports	Organizing sport activity in the constituency	307,701		
Environment			2,735,790	
ST.PETER BUSIBI GIRLS	Construction of 7-doors pit latrine with capacity of 100 people, 1 door toilet for PLWDs	650,000		
BURUDU PRIMARY	Construction of 7-doors pit latrine with capacity of 100 people, 1 door toilet for PLWDs	650,000		
HAKATI PRIMARY	Construction of 7-doors pit latrine with capacity of 100 people, 1 door toilet for PLWDs	650,000		
Tree planting	Planting of trees in schools	15		

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Security Projects				
SIO PORT DIVISIONAL	Construction of 8No capacity user septic	1,400,000		
SIO PORT DIVISIONAL	Construction of Divisional Headquarter housing, ACC offices,	3,000,000		
NAMUDURU POLICE STA	Completion of reporting office	700,000		
GANGA POLICE STATION	Completion of reporting office	600,000		
BUKIRI POLICE STATION	Completion of reporting office	1,000,000		
BUJWANGA ASS. CHIEF	Completion of reporting office	250,000		
MAMBOBOTO CHIEFS OFFICE	Completion of reporting office to meet security	1,169,000		
Sub-Total		29,102,028	51,827,720	
Oversight Committee Expenses	Payment of CoC allowances	40,950		
Sub-Total		40,950	0	
Acquisition of assets				
Others (specify)				
Electricity Projects	Supply of transformer and reticulation to cover 150 households under the matching fund project by REA	8,000,000	12,500,000	
Strategic Plan	To facilitate in the preparation , fact collection designing, typesetting and printing of Funyula	2,000,000		
Sub-Total		10,000,000	12,500,000	
Funds pending approval				
Grand Total		95,720,428	110,658,437	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f 2021-2022 (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2022-2023
Land	-	-	-	-
Buildings and structures	17,240,068	-	-	17,240,068
Transport equipment	3,833,200	-	-	3,833,200
Office equipment, furniture and fittings	961,850	-	-	961,850
ICT Equipment, Software and Other ICT Assets	575,900	-	-	575,900
Other Machinery and Equipment	485,250	-	-	485,250
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	23,096,268	-	-	23,096,268

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
SIGULU PRIMARY SCHOOL	EQUITY	0780279957358	7,703.60	49,623.15
NAMBOBOTO PRIMARY SCHOOL	EQUITY	0780279961054	10,679.90	39,743.90
MOODY AWORI PRIMARY SCHOOL	EQUITY	0780281017153	18,075.20	2,868,109.20
BUJWANGA PRIMARY SCHOOL	EQUITY	0780277638841	1,895.00	9,549,550.00
MILIMANI PRIMARY SCHOOL	EQUITY	0780280406114	307,739.20	1,211,809.20
BUJWANGA SECONDARY SCHOOL	EQUITY	0780280057133	4,750,350.00	950.00
MURAMBA SECONDARY SCHOOL	EQUITY	0780280082991	21,350.00	21,350.50
NAMUDURU SECONDARY SCHOOL	EQUITY	0780279698920	27,649.75	48,000.00
NANDEREMA GIRLS	EQUITY	0780279707927	575,520.48	79,071.35
BUKIRI MIXED SEC SCHOOL	EQUITY	0780279507839	1,949,799.70	149,799.70
NAMBOBOTO SECONDARY SCHOOL	EQUITY	0780277838748	48,029.00	999,550.00
GANJALA SECONDARY SCHOOL	EQUITY	0780277838845	1,800,162.50	
LUGALA PRIMARY SCHOOL	EQUITY	0780279698967	18,439.95	
SIGALAME PRIMARY SCHOOL	EQUITY	0780281002651	120,210.49	
SAGANIA PRIMARY SCHOOL	EQUITY	0780279698826	51,044.30	
NAMUDURU POLICE PATROL	EQUITY	0780281095395	141,151.93	
Total			9,849,801.00	15,017,557.00

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																				
4.1.	<p>Inaccuracies in the financial statements</p> <table border="1"> <thead> <tr> <th rowspan="2">Description Components</th> <th>Amounts in the 2020/2021 Audited financial statements</th> <th>Description</th> <th>Amounts in the 2020/2021 Audited financial statements</th> </tr> </thead> <tbody> <tr> <td>Compensation of employees</td> <td>6,269,332</td> <td>0</td> <td>6,269,332</td> </tr> <tr> <td>Use of goods and services</td> <td>8,701,984</td> <td>4,800,000</td> <td>3,901,984</td> </tr> <tr> <td>Transfers to other Government units</td> <td>17,618,860</td> <td>11,350,000</td> <td>6,268,860</td> </tr> <tr> <td>Other Grants and Transfers</td> <td>45,385,877</td> <td>61,826,053</td> <td>-16,440,176</td> </tr> </tbody> </table>	Description Components	Amounts in the 2020/2021 Audited financial statements	Description	Amounts in the 2020/2021 Audited financial statements	Compensation of employees	6,269,332	0	6,269,332	Use of goods and services	8,701,984	4,800,000	3,901,984	Transfers to other Government units	17,618,860	11,350,000	6,268,860	Other Grants and Transfers	45,385,877	61,826,053	-16,440,176	Amended	Resolved	14 days
	Description Components		Amounts in the 2020/2021 Audited financial statements	Description	Amounts in the 2020/2021 Audited financial statements																			
Compensation of employees		6,269,332	0	6,269,332																				
Use of goods and services	8,701,984	4,800,000	3,901,984																					
Transfers to other Government units	17,618,860	11,350,000	6,268,860																					
Other Grants and Transfers	45,385,877	61,826,053	-16,440,176																					
In the circumstance, validity, accuracy and completeness of the comparative balances in respect to summary statement of appropriation could not be confirmed																								
4.1.2	Summary statement of appropriation reflects an amount of actual receipts in respect to transfers from the NG-CDF Board of Kshs 185,640,263 for the year ended 30 June 2022. However, the actual receipt presented of Kshs 185,640,263 was at variance with the actual receipts in in respect of transfers from the NG-CDF Board presented at statement of receipts and payment of Kshs 154,853,089 resulting unreconciled and unexplained variance of Kshs.30,787,174. Further, the unexplained difference of Kshs 30,787,174 in	Amended	Resolved	14 Days																				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>respect of actual receipts from the NG-CDF Board may have understated the budget receipt difference amount of Kshs 29,424,669 in respect of the unitized funds.</p> <p>In the circumstance, validity, accuracy and completeness of the amounts in the summary statement of appropriation could not be confirmed.</p>			
4.1.3	<p>Statement of assets and liabilities reflects balance of Kshs 81,233,769 in respect to cash and cash equivalents and as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement for the account for the month of 30 June, 2022 reflects Kshs 82,201,718 resulting to an unexplained and unreconciled variance of Kshs.967,949. Further, review of the cash book provided for audit review reflects cash book balance of Kshs 82,184,278 which is at variance with the bank reconciliation statement cash book balance of Kshs.82,201,718 resulting to an unexplained and unreconciled variance of Kshs.17,440. In addition, the bank reconciliation statements reflects unpresented cheques balance of Kshs 4,145,900 not supported with details of payees and when the cheques were issued. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.81,233,769 as at 30 June, 2022 could not be confirmed.</p>	Amended		
4.2	<p>4.2 Unsupported Expenditure on Emergency Projects. The statement of receipts and payments reflects transfers to other government units of an amount of Kshs 54,949,215 and as disclosed in Note 7 to the financial statements which includes an amount of Kshs 5,922,206 in respect to emergency projects. However, there was no evidence indicating that the</p>	Minutes are attached to indicate that the projects were of	Resolved	14 Days

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																		
	<p>expenditure of Kshs 5,922,206 in respect to emergency projects was utilized in accordance with the provisions of Section 8(3) of the CDF Act 2015 and a report that was made to the Board within thirty days of the occurrence of the emergency, in compliance with Regulations 20 (1) of the National Government Constituencies Development Fund Regulations 2016 provides that the 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.</p> <p>In the circumstances the propriety of the expenditure of an amount of Kshs 5,922,206 in respect to emergency projects could not be confirmed. See details in the table below</p> <table border="1" data-bbox="584 906 1532 1425"> <thead> <tr> <th>Project Name</th> <th>PV No.</th> <th>CHQ No.</th> <th>Amount</th> <th>Descriptions</th> <th>Audit Observation</th> </tr> </thead> <tbody> <tr> <td>Funyula NGCDF</td> <td>290</td> <td>8734</td> <td>532,156</td> <td>Details of works to be done could not be confirmed</td> <td>Project file not availed. Works done could not be ascertained</td> </tr> <tr> <td>Odiado Primary</td> <td>291</td> <td>8735</td> <td>480,000</td> <td>Erection of 8 No door pit latrine.</td> <td>Two shutters of the toilet doors were missing, the walls had cracked</td> </tr> </tbody> </table>	Project Name	PV No.	CHQ No.	Amount	Descriptions	Audit Observation	Funyula NGCDF	290	8734	532,156	Details of works to be done could not be confirmed	Project file not availed. Works done could not be ascertained	Odiado Primary	291	8735	480,000	Erection of 8 No door pit latrine.	Two shutters of the toilet doors were missing, the walls had cracked	emergency nature and needed urgent measures to be taken		
Project Name	PV No.	CHQ No.	Amount	Descriptions	Audit Observation																	
Funyula NGCDF	290	8734	532,156	Details of works to be done could not be confirmed	Project file not availed. Works done could not be ascertained																	
Odiado Primary	291	8735	480,000	Erection of 8 No door pit latrine.	Two shutters of the toilet doors were missing, the walls had cracked																	

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Reference No. on the external audit Report	Issue / Observations from Auditor						Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
						and the floors had developed cracks and holes. The project approved in 2020/2021 financial year hence not emergency project			
	Bujwanga Mixed	292	8736	2,310,050	Purchase of school bus	Fund used to settle supplier's outstanding balance.			
	Agenga Primary	293	8737	900,000		The iron sheet loosely fixed and can easily be blown off. Painting not complete as only front side of the class rooms were painted.			

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Reference No. on the external audit Report	Issue / Observations from Auditor						Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
						The project approved in 2020/2021 financial year.			
	Namuyweda Primary	294	8738	1,700,000		Project file not provided.			



Gregory Keya Otaalo
Fund Account Manager.