

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY

DATE: 06 AUG 2023

DAY

ON

TUESDAY

TABLED

BY:

MEMBER AT

TABLE:

Hon Owen Bayo, MP
Deputy leader, majority
Anne Shabaka

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

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
12 JUL 2023
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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
28 SEP 2022
RECEIVED



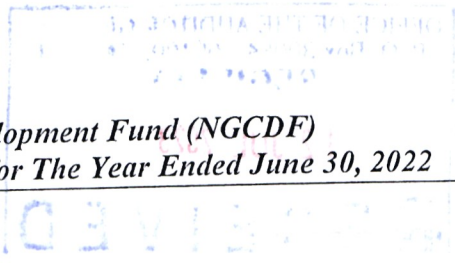
THE NATIONAL ASSEMBLY
P. O. Box 10000, NAIROBI
8 AUG 2023
BY: _____
CLERK-AT-THE-TABLE

IKOLOMANI CONSTITUENCY NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022**

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

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



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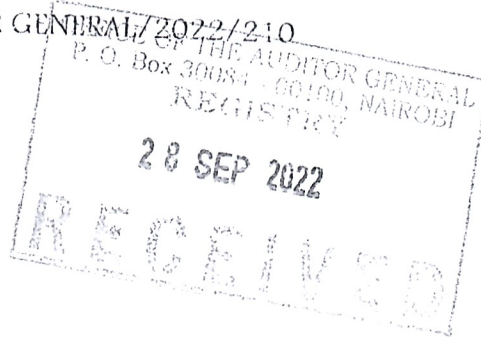


National Government Constituencies Development Fund Board
Harambee Cooperative Plaza, 5th Floor
Junction of Haile Selassie Avenue & Uhuru Highway
P.O Box 46682-00100
Nairobi, Kenya
Tel: 020-2230015/9, 2230027, 2230032 | Cell: 0709894000
Email: info@cdf.go.ke | Website: www.ngcdf.go.ke

NG-CDF BOARD/AUDITOR GENERAL/2022/210

SEPTEMBER 28, 2022

The Auditor General
P.O Box 30084-00100
NAIROBI




Dear Sir/Madam

RE: NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND FINANCIAL STATEMENTS FOR 2021/2022 FINANCIAL YEAR

Pursuant to Section 81 of the Public Finance Management Act, 2012 and Section 39 (4) of the National Government Constituencies Development Fund Act, 2015, we hereby submit the annual report and financial statement for Ikolomani constituency for the financial year 2021/2022 for your necessary action.

Yours sincerely


YUSUF MBUNO
CHIEF EXECUTIVE OFFICER

Vision: Equitable socio-economic development countrywide



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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Tom Oriwa Ageng'a
2.	Sub-County Accountant	Samuel W. Muyoma
3.	Chairman NGCDFC	David Muliru Lisamula
4.	Member NGCDFC	Gideon Malukas Khasiani

(d) Fiduciary Oversight Arrangements

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

(e) Ikolomani Constituency NGCDF Headquarters

P.O. Box 2773-50100
Ikolomani NGCDFC Office-Malinya
Off Sigalagala-Bukura Road, Behind Malinya Market
Kakamega, KENYA

(f) Ikolomani Constituency NGCDF Contacts

Telephone: (254) 716830440
E-mail: cdfikolomani@ngcdf.go.ke
Website: ikolomaniconstituency.co.ke

(g) Ikolomani Constituency NGCDF Bankers

Equity Bank
Kakamega Branch
P.O. Box 2512-50100
Kakamega, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman’s Report



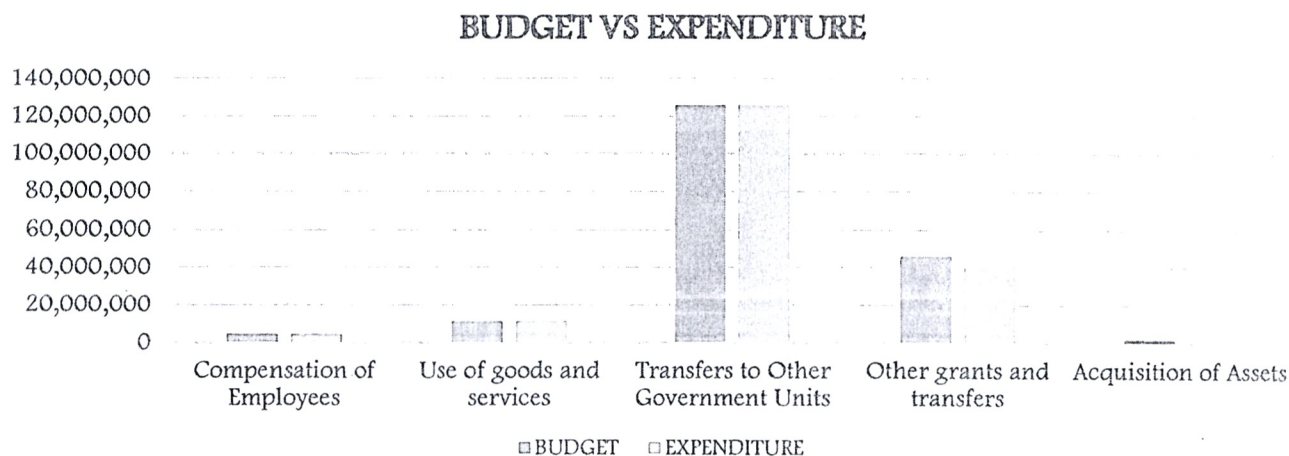
**David Muliru Lisamula
Ikolomani NGCDFC Chairman**

On behalf of the Ikolomani National Government Constituency Development Fund Committee (NCDFC), it gives me pleasure to present to you the annual unaudited Ikolomani NGCDF Financial Statement and Reports for the year ended 30th June 2022.

During the last financial year, and despite the effect of Covid-19, we achieved a significant portion of what we had set up to do both in our five-year strategic plan and the annual work plans and performance contract signed between us and the NGCDF Board.

Financial Performance

The financial year ending June 2022 had an approved budget of KShs 137,088,879. Also, there were adjustments in the receipts during the period under review which include; the opening balances, Appropriation in Aid, and receipts from the NGCDF Board for previous financial years totalling to KShs 53,033,664 that totals to KShs 190,122,543 as expected receipts for the financial year under review. Further, a total of KShs 190,122,543 was received, which represents 100% of the total sums we had expected to receive, being the amounts of the total budget together with the balance from the previous financial year and Appropriation in Aid. In the same vein, the Ikolomani NGCDFC made payments of KShs 181,734,423 which is about 95% of the sums received. Just to highlight a few areas; transfers to other government entities were 100% while other grants and transfers were at 87% as shown in the chart below.



Ikolomani Constituency

National Government Constituencies Development Fund (NGCDF)

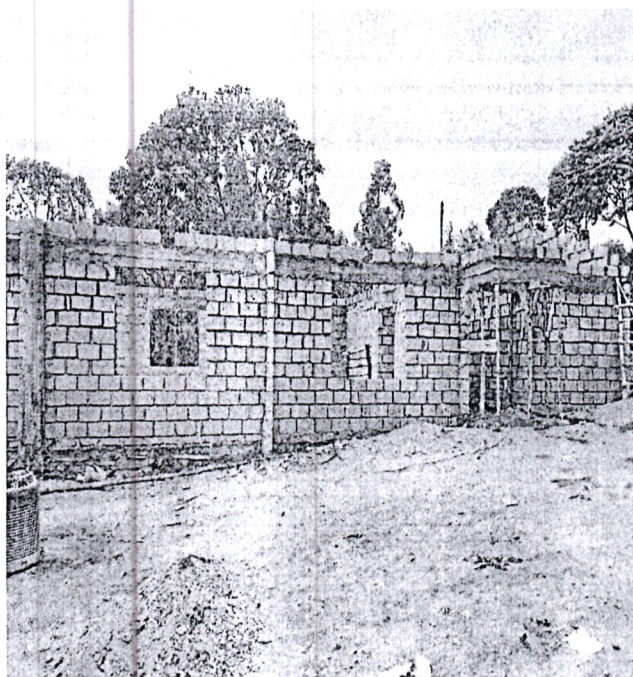
Annual Report and Financial Statements for The Year Ended June 30, 2022

Monitoring & Evaluation and Financial Audits

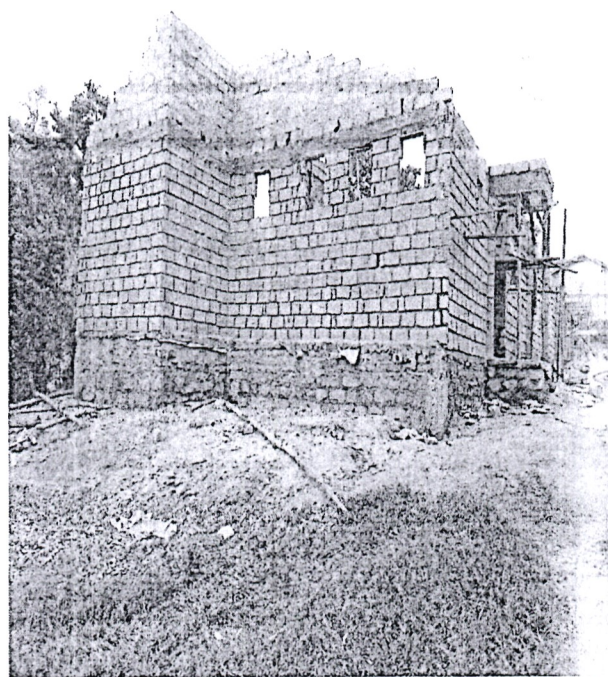
The committee managed to conduct monthly and quarterly monitoring and evaluation of the projects, whereby the recommendation of the exercises was discussed regularly in the NGCDFC meeting and a mechanism for the follow up of the various recommendations established. Also, the committee continued to strengthen other aspects of the internal controls like supporting the Sub County Internal auditors carry out the routine audit and assurance systems, programs and projects. This went into ensuring that our financial statements and reports reflect the true position and can be relied on. Support was also extended to both the internal and external auditors. The latter performed an audit for the 2018/19, 2019/20 and 2020/21 financial years while the former were auditors from the Office of the Auditor-General who performed the audit for the 2020/21 financial year.

NGCDF Board CSR Project

We were privileged as a constituency to be awarded a National Government Constituency Development Fund Board Corporate Social Responsibility (CSR) Project. The Board awarded Fr. Joseph Ortner Girls' Secondary School – Isulu a project for the construction of a 64-bed capacity dormitory. Currently, works are ongoing and we hope that the project will be handed over to the school before the end of 2022.



NGCDF Board CSR Project – Fr. Ortner Girls' Secondary School - Isulu



NGCDF Board CSR Project – Fr. Ortner Girls' Secondary School - Isulu

Bursary

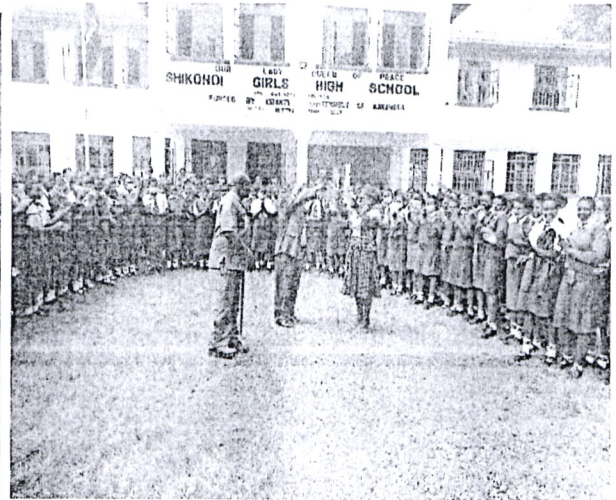
Bursary allocations continue to be the greatest way in which the society can breach the divide between the rich and the poor and it's also a way of ensuring social mobility in the society hence as a committee we have continued to ensure transparency and accountability in the issuance of bursaries to bright and needy students to enable them to continue with their studies.

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A total of KShs 23,484,812 was disbursed to various learning institutions as bursary during the financial year. The largest share of Bursary (56%) went to secondary schools, while tertiary institutions got 37% and lastly 7% of the bursaries were allocated to Special Schools.



Bursary cheque- Shiamusinjili Secondary School



Shikondi Girls Secondary School -Bursary

Emergency Fund

The committee also allocated emergency funds during the financial year for a myriad of reasons including collapsed pit latrines, insecurity due to lack of gate and fences, lack of clean and safe drinking water, insecurity in schools due to lack of a fence, filled up and dilapidated pit latrines, poor sanitation due to inadequate sanitary facilities, insecurity in some areas due to long distances between police station/post, the threat of eviction from land not fully paid and lack of land ownership documents.



Emergency Project – Shitoli Primary School

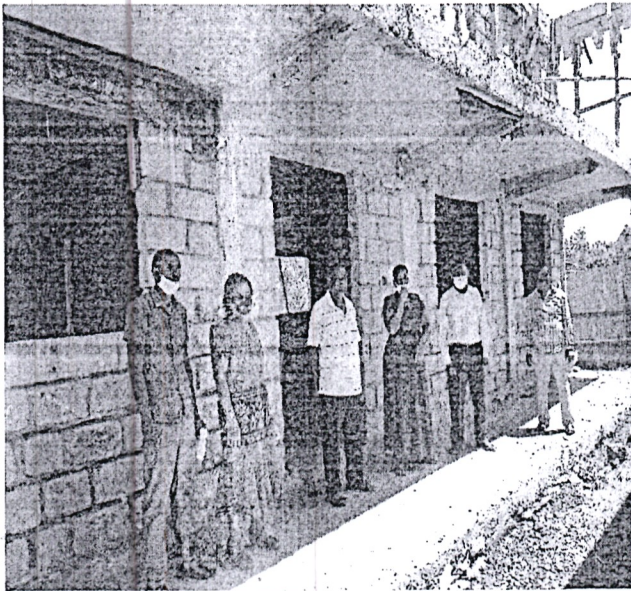


Emergency Project – Imbale Primary School

Projects

During the last financial year, the strength and agility of our committee, combined with the professionalism of our staff, the dedication and commitment of our Member of Parliament enabled us to deliver on a number of our project targets.

We were able to hand over the following projects; Mumbetsa, Shihalia & Imalaba Primary Schools - Construction of 8No. classrooms, Imulembo Primary School – Installation of a water pump, fixing of a water tower, and laying of water distribution lines, Shikokho Secondary School – Construction of an Administration block, Imulama Police Post – Construction of office block and residential units, Ikolomani North ACC’s Office – Construction of office block.



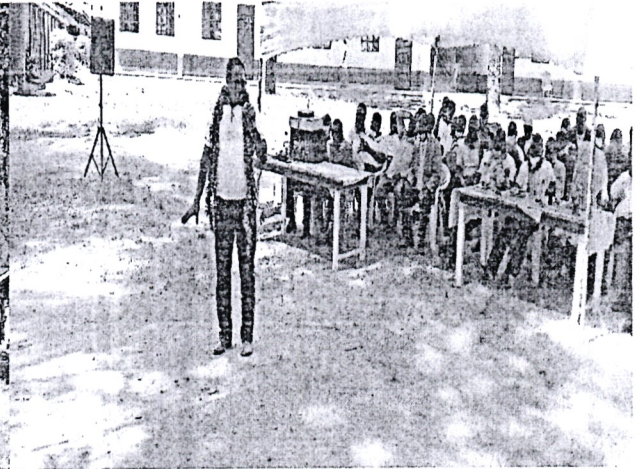
M&E Team



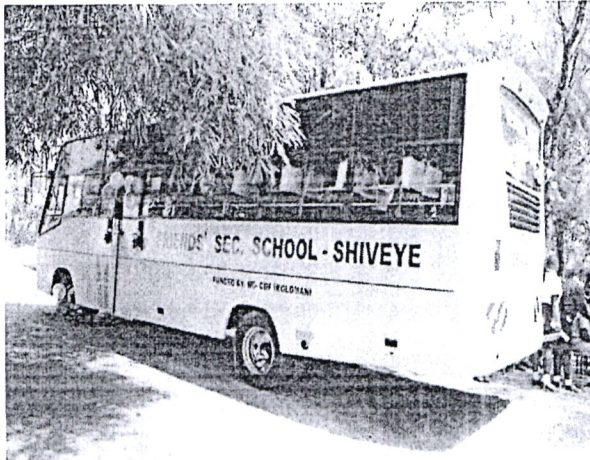
M&E Team



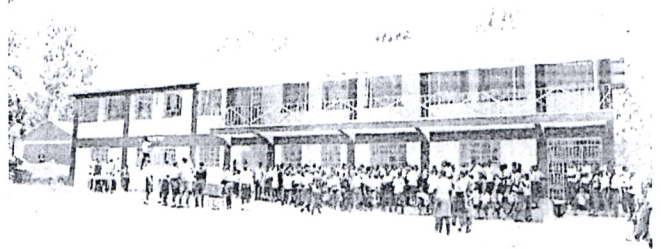
Model projects



The MP handing over Shimanyiro Primary School



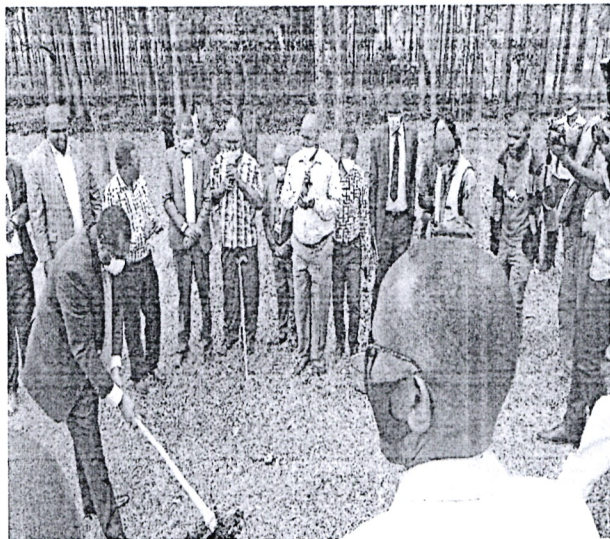
Shiveye Secondary School- bus



Shikokho Secondary School- Construction of a modern Administration

Kenya Medical Training College-Ikolomani Campus

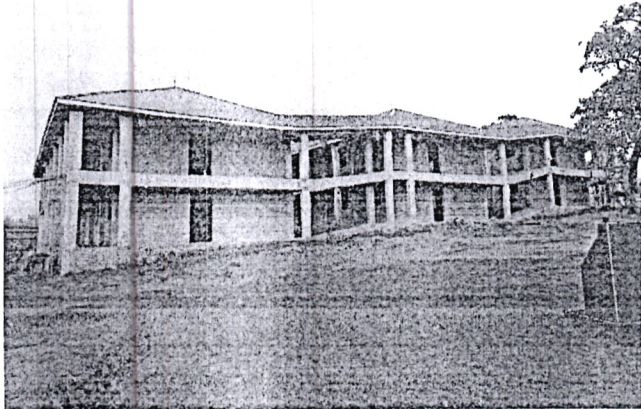
The committee had the honour of hosting the KMTC Board Chairman, Prof. Philip Kaloki, as well as other notable guests who came to assess the preparedness of project with regard to admitting students in September 2022.



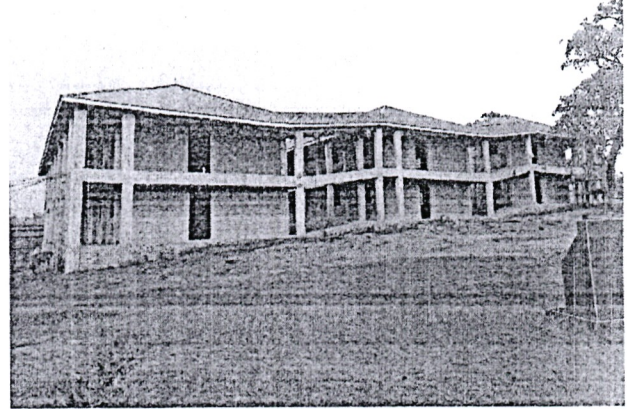
Prof Kaloki Ground breaking



Tuition Block KMTC – Ikolomani Campus



Tuition Block KMITC – Ikolomani Campus



Tuition Block KMITC – Ikolomani Campus

Sports

The committee managed to hold the annual constituency football tournament finals which were held at Eregi Teachers Training College grounds. The Boys and Girls finals were won by Lirhembe Arsenal Boys Football Club and Lirhembe Arsenal Girls Football Club both are from Lirhembe.

Environment

The committee continues to ensure environmental sustainability remains our key factor, through the incorporation of environmentally friendly activities in our annual work plans. We conducted a tree planting exercise that was spearheaded by the Ikolomani NGCDFC in collaboration with Equity bank and the Kenya Forest Service (K.F.S) – Kakamega Branch. Whereby 5,000 tree seedlings were distributed to 28 public institutions. We believe that this will contribute positively to the community and aid in sustaining the environment.



Tree Planting by the NGCDFC Chairman



Tree Planting by the NGCDF Secretary

Social Security Program

The committee also year marked additional funds for the Social Security program which has the objective of paying for medical insurance via the National Hospital Insurance Fund (NHIF) for vulnerable individuals and families. A total of KShs. One Million Nine Hundred and Eighty Thousand (Kshs. 1,980,000) was paid to NHIF to provide for three hundred and thirty (330) households medical insurance for one year. This project will act as a safety net to the individuals in our society who do not have access to medical care due its prohibitive cost.



Social Security Adhoc Committee Training



Social Security Adhoc Committee Training

Benchmarking

Towards the end of the financial year 2021/2022, we were privileged to play host to a team from Rarieda NGCDF which constituted members of the committee and staff who had visited our constituency to learn our best practices, identify areas and means of performance improvement, and networking. Indeed, it was a fruitful experience that we managed to learn from each other and it also became an eye-opener to us on how we can improve some of our operations. We are indeed indebted to the team from Rarieda Constituency.



Rarieda NGCDF Team while on a Benchmarking Visit

Challenges

The past year has been one of the significant challenges, but we have emerged in a better stronger position from them having learned from them. Some of them included contractors abandoning the site without completing the works, but I am happy to report that in all of them, new contractors were quickly identified, and the works are progressing well.

Acknowledgement

On behalf of Ikolomani NGCDFC, I would like to express our heartfelt appreciation and gratitude to our capable and dependable committee members and staff for their unwavering dedication, commitment, and support in carrying out our plans throughout the year and for remaining steadfast in the face of numerous challenges. I am very blessed to be supported by a group of people that have considerable expertise and experience.

A special mention should also be made of our member of Parliament, Hon. Bernard Shinali, whose support and faith in us allowed us to make critical but beneficial decisions for the welfare of the Ikolomani people. My thanks also go to the NGCDF Board for prompt disbursement despite significant liquidity constraints, various heads of departments, and other stakeholders/parties for their continuous collaboration in our program, and I look forward to our future success.

As I close, I would like to express my thanks to Mr. Samuel Muyoma, the Kakamega South Sub County Accountant, for his continuous assistance in keeping proper accounting records, which served as the foundation for creating this annual report and financial accounts. My heartfelt thanks also go to the Fund Account Manager and his team, who have worked diligently to ensure that this report is done correctly and on time.

Sign:
David Muliru Lisamula
CHAIRMAN NGCDF COMMITTEE

Date: 20/09/2022

III. Statement of Performance Against Predetermined Objectives for FY2021/22

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity under the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives. The key development objectives of NGCDF-Ikolomani Constituency's 2018-2022 Strategic Plan are to:

- a. Improve the standard of living for a majority of the families of the poor and vulnerable
- b. Facilitate access to crucial services to priority sectors and groups
- c. Mobilize investment in productive activities, value chains, and linkages in agriculture and mining
- d. Leverage opportunities by creating synergies with other sectors and partners for the socio-economic transformational agenda of Ikolomani
- e. Strengthen ICT, Culture, Arts, and Sports based enterprises driven by youth and women

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school-going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	40 New classrooms, one laboratory, one administration block and dining Hall were constructed to completion. 4,370 secondary students, 1,737 Students and 339 Special School students were awarded bursaries
Security	Improve security and maintain law and order in the community.	Constructed Police Stations office	The number of offices constructed.	Constructed one new police station, and One new police post

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

Environment	Improve hygiene standards in schools.	Construction of Modern toilets in schools	The number of toilets built-in primary and secondary.	The constituency constructed 5 pit latrines in 5 Primary schools.
Sports	Promote peacebuilding activities and enhance community cohesion.	Sports activities for the youth and other vulnerable groups.	The number of Sports Tournaments organized.	Organized 1 tournament where youths were awarded trophies.

IV. Environmental and Sustainability Reporting

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

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

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. xxx 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-

Ikolomani 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-

Ikolomani 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

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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.

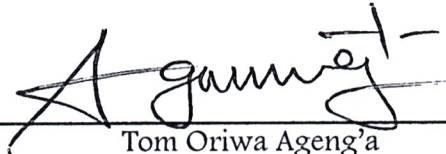
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



Tom Oriwa Ageng'a
Fund Account Manager

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Ikolomani Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Ikolomani Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF- Ikolomani 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.

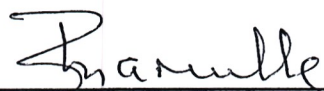
The Accounting Officer in charge of the NGCDF Ikolomani Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under

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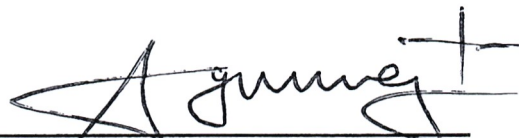
audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Ikolomani Constituency financial statements were approved and signed by the Accounting Officer on 20/09/2022.

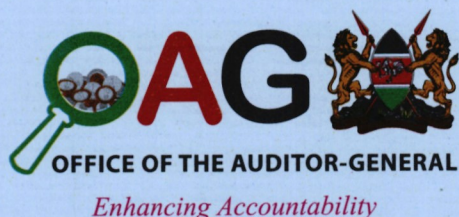


David Muliru Lisamula
Chairman NG-CDF Committee



Tom Oriwa Ageng'a
Fund Account Manager

REPUBLIC OF KENYA



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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ikolomani Constituency set out on pages 1 to 42, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the

Report of the Auditor-General on National Government Constituencies Development Fund – Ikolomani Constituency for the year ended 30 June, 2022

provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracy of Receipts

The statement of receipts and payments reflects an amount of Kshs.182,977,758 in respect of transfers from NG-CDF Board as disclosed in Note 1 to the financial statements. However, the amount is at variance with the amount of Kshs.189,652,543 shown in the summary statement of appropriation. The variance of Kshs.6,674,785 has not been explained or reconciled.

In the circumstances, the accuracy and completeness of the receipts amount of Kshs.182,977,758 shown in the statement of receipts and payments could not be confirmed.

2. Unsupported Social Security Programmes

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.40,014,812 which, as disclosed in Note 7 to the financial statements, includes Kshs.1,980,000 in respect of social security programmes (NHIF). However, supporting documents including payment vouchers and list of beneficiaries were not provided for audit review.

In the circumstance, the accuracy and propriety of the expenditure of Kshs.1,980,000 in respect of social security programmes (NHIF) could not be confirmed.

3. Unsupported Expenditure on Use of Goods and Services

The statement of receipts and payments reflects an amount of Kshs.11,352,016 in respect of use of goods and services as disclosed in Note 5 to the financial statements. However, the expenditure was not supported with documents including ledger schedules, payment vouchers, committee minutes, monitoring and inspection reports and procurement documents including, request for quotations, tender opening report, tender evaluation minutes, counter receipts voucher and counter issue vouchers.

In the circumstance, the accuracy and propriety of the expenditure of Kshs.11,352,016 in respect of use of goods and services could not be confirmed.

4. Gratuity Payment

The statement of receipts and payments reflects compensation of employee of an amount of Kshs.4,497,595 which, as disclosed in Note 4 to the financial statements, includes Kshs.708,829 in respect of gratuity – contractual employees. However, supporting documents including the insurance contract agreement and details of payments to employees were not provided for audit.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.708,829 in respect of gratuity for contractual employees could not be confirmed.

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

Key Audit Matters

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

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 of 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

Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 6 to the financial statements, reflects expenditure of Kshs.125,870,000 in respect of transfers to other Government units comprising of Kshs.90,500,000, Kshs.22,570,000 and Kshs.12,800,000 being transfers to primary schools, secondary schools and tertiary institutions respectively. However, review of project expenditure records and physical verification carried out on twelve (12) projects in the month of March, 2023 revealed that seven (7) of the projects allocated a total amount of Kshs.16,100,000 did not provide procurement documents including Inspection and Acceptance Committee reports, project Bills of Quantities, contract agreements, tender opening registers and PMC bank statements for audit review. Further, the projects were incomplete and the contractors were not on site as detailed below:

No.	Project Name	Details	Cost (Kshs.)	Observation
1.	Shikhombelo Primary School	Construction of tuition block	2,000,000	Terrazo had not been laid on the veranda. The contractor was not on the site.
2.	St. Bonventure Shimanyiro Secondary School	Construction of twin laboratory	2,500,000	The contractor was not at site.
3.	Mutaho Secondary School	Construction of 8 storey classrooms.	1,000,000	Although the building was complete, the ceiling was not

No.	Project Name	Details	Cost (Kshs.)	Observation
				painted and had started leaking.
4.	Lusui Secondary School	Twin Lab	1,500,000	Completed and in use. However, fume chambers had not been installed properly. Floor tiles were peeling off and the floor had huge cracks
6.	Lusui Primary School	Construction to completion 8 no. of storey classrooms.	1,500,000	The project was not complete and no works were going on. The building was at walling level. Contract period of one year had elapsed
8	KMTC-Ikolomani Campus	Construction of tuition block consisting of 6 lecture halls and 4 classrooms	7,600,000	-No works were going on
	Total		16,100,000	

Under the circumstances, value for money was not obtained from these projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 controls, 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

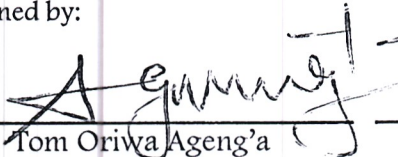
19 June, 2023


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

	Note	2021-2022 Kshs	2020-2021 Kshs
RECEIPTS			
Transfers from NGCDF Board	1	182,977,758	162,267,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	470,000	-
TOTAL RECEIPTS		183,447,758	162,267,724
PAYMENTS			
Compensation of employees	4	4,497,595	3,973,207
Use of goods and services	5	11,352,016	8,378,067
Transfers to Other Government Units	6	125,870,000	112,750,000
Other grants and transfers	7	40,014,812	32,972,500
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		181,734,423	158,073,774
SURPLUS/DEFICIT		1,713,335	4,193,950

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved on 20/09/2022 and signed by:


Tom Oriwa Ageng'a
Fund Account Manager


Samuel W. Muyoma
National Sub-County Accountant
ICPAK Member Number: 20560

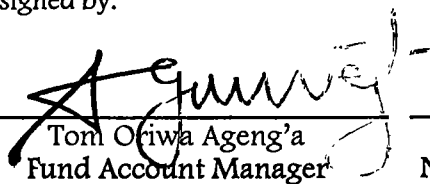

David Muliru Lisamula
Chairman NG-CDF Committee


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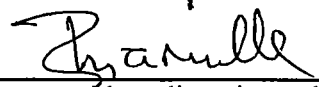
VIII. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,388,120	6,674,785
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		8,388,120	6,674,785
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		8,388,120	6,674,785
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		8,388,120	6,674,785
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	6,674,785	2,480,835
Prior year adjustments	14	-	-
Surplus/Deficit for the year		1,713,335	4,193,950
NET FINANCIAL POSITION		8,388,120	6,674,785

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved on 20/09/2022 and signed by:


Tom Otiwa Ageng'a
Fund Account Manager


Samuel W. Muyoma
National Sub-County Accountant
ICPAK Member Number: 20560


David Muliru Lisamula
Chairman NG-CDF Committee

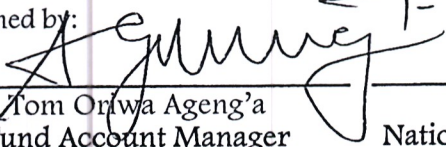
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IX. Statement of Cash Flows for the Year Ended 30th June 2022

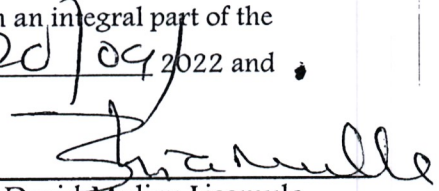
	Note	2021-2022 Kshs	2020-2021 Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	182,977,758	162,267,724
Other Receipts	3	470,000	-
Total Receipts		183,447,758	162,267,724
Payments for operating activities			
Compensation of Employees	4	4,497,595	3,973,207
Use of goods and services	5	11,352,016	8,378,067
Transfers to Other Government Units	6	125,870,000	112,750,000
Other grants and transfers	7	40,014,812	32,972,500
Other Payments	9	-	-
Total Payments		181,734,423	158,073,774
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		1,713,335	4,193,950
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		1,713,335	4,193,950
Cash and cash equivalent at BEGINNING of the year	10	6,674,785	2,480,835
Cash and cash equivalent at END of the year		8,388,120	6,674,785

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved on 20/09/2022 and

signed by:


Tom Oriwa Ageng'a
Fund Account Manager


Samuel W. Muyoma
National Sub-County Accountant
ICPAK Member Number: 20560


David Muliru Lisamula
Chairman NG-CDF Committee

*Ikolomani Constituency
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X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	B				
RECEIPTS							
Transfers from NG-CDF Board	137,088,879	6,674,785	45,888,879	189,652,543	189,652,543	-	100%
Proceeds from Sale of Assets	-	-	-	-	-	-	0%
Other Receipts	-	470,000	-	470,000	470,000	-	100%
TOTAL RECEIPTS	137,088,879	7,144,785	45,888,879	190,122,543	190,122,543	-	100%
PAYMENTS							
Compensation of Employees	4,400,000	100,000	216,429	4,716,429	4,497,595	218,834	95%
Use of goods and services	7,540,638	2,229,662	1,586,243	11,356,542	11,352,016	4,526	100%
Transfers to Other Government Units	94,270,000	700,000	30,900,000	125,870,000	125,870,000	-	100%
Other grants and transfers	29,678,241	3,045,123	13,186,207	45,909,571	40,014,812	5,894,759	87%
Acquisition of Assets	1,200,000	600,000	-	1,800,000	-	1,800,000	0%
Other Payments	-	-	-	-	-	-	0%
Unallocated Fund (AIA)	-	470,000	-	470,000	-	470,000	0%
TOTAL	137,088,879	7,144,785	45,888,879	190,122,543	181,734,423	8,388,120	95%

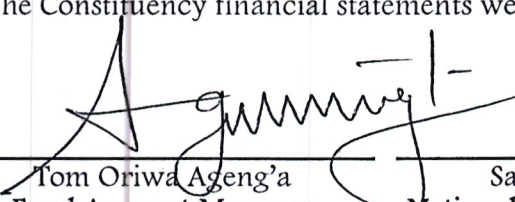
i. Underutilisation in other grants and transfers was occasioned by the unutilized emergency fund during the financial year.


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

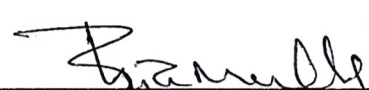
(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	8,388,120
Less undisbursed funds receivable from the Board as at 30th June 2022	-
	8,388,120
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	8,388,120

The Constituency financial statements were approved on 20/09/2022 and signed by:


Tom Oriwa Ageng'a
Fund Account Manager


Samuel W. Muyoma
National Sub-County Accountant
ICPAK Member Number: 20560


David Muliru Lisamula
Chairman NG-CDF Committee

*Ikolomani Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget (a)		Adjustments (b)		Final Budget c=(a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c) %
	2020/2021	Kshs	Opening Balance (C/Bk) and ALA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent								
1.1 Compensation of employees	4,400,000		100,000	216,429	4,716,429	4,497,595	218,834	95
1.2 Committee allowances	1,540,638		-	767,500	2,308,138	2,306,930	1,208	100
1.3 Use of goods and services	2,000,000		460,213	216,071	2,676,284	2,674,965	1,319	100
Total	7,940,638		560,213	1,200,000	9,700,851	9,479,490	221,361	
2.0 Monitoring and evaluation								
2.1 Capacity building	1,000,000		39,000	6,000	1,045,000	1,043,000	2,000	100
2.2 Committee allowances	2,000,000		1,432,000	500,000	3,932,000	3,932,000	-	100
2.3 Use of goods and services	1,000,000		298,449	96,672	1,395,121	1,395,121	-	100
Total	4,000,000		1,769,449	602,672	6,372,121	6,370,121	2,000	
3.0 Emergency								
3.1 Primary Schools	2,000,000		-	2,400,000	4,400,000	4,400,000	-	100
3.2 Secondary schools	800,000		-	-	800,000	800,000	-	100
3.3 Tertiary institutions	-		254,311	45,689	300,000	300,000	-	100
3.4 Security projects	353,482		-	46,518	400,000	400,000	-	100
3.5 Unutilised	4,044,759		-	-	4,044,759	-	4,044,759	-
Total	7,198,241		254,311	2,492,207	9,944,759	5,900,000	4,044,759	

*Ikolomani Constituency
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Programme/Sub-programme	Original Budget (a)	Adjustments (b)		Final Budget c=(a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c) %
	2020/2021	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2020/2021	30/06/2021	Kshs	%
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
4.0 Bursary and Social Security							
4.1 Secondary Schools	9,000,000	1,480,812	2,629,000	13,109,812	13,109,812	-	100
4.2 Tertiary Institutions	4,500,000	117,500	4,065,000	8,682,500	8,682,500	-	100
4.3 Social Security	1,980,000	-	-	1,980,000	1,980,000	-	100
4.4 Special Needs	1,000,000	692,500	-	1,692,500	1,692,500	-	100
Total	16,480,000	2,290,812	6,694,000	25,464,812	25,464,812	-	100
5.0 Sports							
5.1 Constituency Football Tournament	1,000,000	-	1,500,000	2,500,000	2,000,000	500,000	80
Total	1,000,000	-	1,500,000	2,500,000	2,000,000	500,000	
6.0 Environment							
6.1 Tree Planting	500,000	500,000	300,000	1,300,000	150,000	1,150,000	12
6.2 Kakamega Forest Marathon	-	-	200,000	200,000	-	200,000	-
6.3 Environmental Day	-	-	-	-	-	-	-
Total	500,000	500,000	500,000	1,500,000	150,000	1,350,000	
7.0 Primary Schools Projects							
Burendwa Primary School	1,600,000	-	-	1,600,000	1,600,000	-	100
Imalaba Primary School	3,200,000	700,000	-	3,900,000	3,900,000	-	100
Imulama Primary School	2,000,000	-	-	2,000,000	2,000,000	-	100
Imusali Primary School	4,000,000	-	-	4,000,000	4,000,000	-	100

**Ikolomani Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget (a)		Adjustments (b)		Final Budget c=(a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c) %
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Kshs				
Ishieywe Primary School	4,000,000		-	1,000,000	5,000,000	5,000,000	-	100
Ivole Primary School	1,500,000		-	-	1,500,000	1,500,000	-	100
Kimingini Primary School	2,000,000		-	2,000,000	4,000,000	4,000,000	-	100
Lirhembe Primary School	2,000,000		-	2,000,000	4,000,000	4,000,000	-	100
Lusiola Primary School	1,700,000		-	1,000,000	2,700,000	2,700,000	-	100
Lusui Primary School	4,000,000		-	2,000,000	6,000,000	6,000,000	-	100
Madivini Primary School	2,000,000		-	-	2,000,000	2,000,000	-	100
Makhokho Primary School	2,000,000		-	2,000,000	4,000,000	4,000,000	-	100
Malinya Primary School	2,000,000		-	3,500,000	5,500,000	5,500,000	-	100
Matundu Primary School	3,500,000		-	1,500,000	5,000,000	5,000,000	-	100
Mukoyani Primary School	1,200,000		-	-	1,200,000	1,200,000	-	100
Mukoyani Primary School	1,800,000		-	-	1,800,000	1,800,000	-	100
Mumbetsa Primary School	1,500,000		-	-	1,500,000	1,500,000	-	100
Musasa Primary School	450,000		-	-	450,000	450,000	-	100
Naliava Primary School	1,850,000		-	-	1,850,000	1,850,000	-	100
Shianjetso Primary School	2,000,000		-	2,000,000	4,000,000	4,000,000	-	100
Shiduha Primary School	2,000,000		-	-	2,000,000	2,000,000	-	100
Shikombelo Primary School	2,000,000		-	2,000,000	4,000,000	4,000,000	-	100
Shikumu Primary School	2,000,000		-	-	2,000,000	2,000,000	-	100
Shimanyiro Primary School	1,500,000		-	-	1,500,000	1,500,000	-	100
Shirumba Primary School	4,000,000		-	-	4,000,000	4,000,000	-	100
Shitechia Primary School	2,000,000		-	2,000,000	4,000,000	4,000,000	-	100
St. Angela Eregi School	1,500,000		-	-	1,500,000	1,500,000	-	100

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Programme/Sub-programme	Original Budget (a)		Adjustments (b)		Final Budget c=(a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c) %
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Shijiko Primary School	1,400,000		-	-	1,400,000	1,400,000	-	100
Bushiangala Primary School	1,000,000		-	-	1,000,000	1,000,000	-	100
Iluya Primary School	1,000,000		-	-	1,000,000	1,000,000	-	100
Imbale Primary School	1,000,000		-	-	1,000,000	1,000,000	-	100
Imulembo Primary School	600,000		-	-	600,000	600,000	-	100
Iremele Primary School	1,000,000		-	-	1,000,000	1,000,000	-	100
Ivonda Primary School	1,500,000		-	-	1,500,000	1,500,000	-	100
Mwikhomo Primary School	1,000,000		-	-	1,000,000	1,000,000	-	100
Shiveye Primary School	1,000,000		-	-	1,000,000	1,000,000	-	100
Total	68,800,000	700,000	21,000,000	21,000,000	90,500,000	90,500,000	-	
8.0 Secondary Schools Projects								
Friends Secondary School Lirhembe	900,000		-	-	900,000	900,000	-	100
Lirhembe Girls Secondary School	-		-	1,500,000	1,500,000	1,500,000	-	100
Makhokho Secondary School	70,000		-	700,000	770,000	770,000	-	100
Mutaho Girls Secondary School	1,750,000		-	800,000	2,550,000	2,550,000	-	100
Shikokho Secondary School	2,000,000		-	-	2,000,000	2,000,000	-	100
Shivagala Secondary School	600,000		-	1,400,000	2,000,000	2,000,000	-	100
St. Boneventure Shimanyiro Secondary School	2,000,000		-	2,500,000	4,500,000	4,500,000	-	100
St. Francis Sabane Secondary School	1,050,000		-	2,000,000	3,050,000	3,050,000	-	100
St. Josephs Shichinji Secondary School	2,000,000		-	-	2,000,000	2,000,000	-	100
Lusui Secondary School	1,500,000		-	-	1,500,000	1,500,000	-	100

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Programme/Sub-programme	Original Budget (a)	Adjustments (b)		Final Budget c=(a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c) %
	2020/2021	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2020/2021	30/06/2021	Kshs	%
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
Shikokho Secondary School-2	300,000	-	-	300,000	300,000	-	100
Imbale Secondary School	1,500,000	-	-	1,500,000	1,500,000	-	-
Total	13,670,000	-	8,900,000	22,570,000	22,570,000	-	-
9.0 Tertiary institutions Projects							
KMTC-Ikolomani Campus	10,000,000	-	1,000,000	11,000,000	11,000,000	-	100
KMTC-Ikolomani Campus 2	1,800,000	-	-	1,800,000	1,800,000	-	-
Total	11,800,000	-	1,000,000	12,800,000	12,800,000	-	-
10.0 Security Projects							
Iguhu Police Station	1,000,000	-	2,000,000	3,000,000	3,000,000	-	100
Imulama Police Post	400,000	-	-	400,000	400,000	-	100
Ikolomani North ACC Office-Isulu	1,500,000	-	-	1,500,000	1,500,000	-	100
Kakamega South District HQs	600,000	-	-	600,000	600,000	-	100
Kakamega South District HQs	1,000,000	-	-	1,000,000	1,000,000	-	100
Lwanaswa Police Post	-	-	-	-	-	-	-
Total	4,500,000	-	2,000,000	6,500,000	6,500,000	-	-
11.0 Acquisition of assets							
11.1 Motor Vehicles	-	-	-	-	-	-	-
11.2 Purchase of NGCDF Generator	1,200,000	600,000	-	1,800,000	-	1,800,000	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-	-

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Programme/Sub-programme	Original Budget (a)		Adjustments (b)		Final Budget c=(a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c) %
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Kshs				
11.5 Refurbishment of Buildings	-	-	-	-	-	-	-	-
11.6 Rehabilitation of Property Plant & Equipment	-	-	-	-	-	-	-	-
Total	1,200,000	600,000	-	-	1,800,000	-	1,800,000	
12.0 Other payments								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
13.0 unallocated fund								
Unapproved projects	-	-	-	-	-	-	-	-
AIA	-	470,000	-	-	470,000	-	470,000	-
PMC savings	-	-	-	-	-	-	-	-
Total	-	470,000	-	-	470,000	-	470,000	-
	137,088,879	7,144,785	45,888,879	190,122,543	181,734,423	8,388,120		

XI. Significant Accounting Policies

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

1. Statement of compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Ikolomani 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.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

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 xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

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.

*Ikolomani Constituency
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	Notes	2021-2022 Kshs	2020-2021 Kshs
NGCDF Board			
AIE NO. B140897		44,188,879	-
AIE NO. B105647		44,000,000	-
AIE NO. B105774		24,000,000	-
AIE NO. B128509		5,000,000	-
AIE NO. B128820		14,000,000	-
AIE NO. B154018		15,000,000	-
AIE NO. B164460		20,000,000	-
AIE NO. B888975		15,088,879	-
AIE NO. B888975		1,700,000	-
AIE NO. B 005108		-	15,000,000.00
AIE NO. B 030184		-	20,000,000.00
AIE NO. B 030428		-	34,367,724.10
AIE NO. B 006370		-	9,000,000.00
AIE NO. B 042761		-	10,000,000.00
AIE NO. B 047007		-	13,000,000.00
AIE NO. B 041083		-	6,900,000.00
AIE NO. B 047450		-	7,000,000.00
AIE NO. B 041290		-	6,000,000.00
AIE NO. B 047710		-	13,000,000.00
AIE NO. B 049297		-	6,000,000.00
AIE NO. B 104322		-	10,000,000.00
AIE NO. B 096578		-	12,000,000.00
TOTAL		182,977,758	162,267,724

2. Proceeds from Sale of Assets

Description	2021-2022 Kshs	2020 - 2021 Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

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Notes to the Financial Statements (Continued)

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received	470,000	-
Rents	-	-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	470,000	-

4. Compensation of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,518,606	2,217,385
Basic wages of casual labour	160,000	125,000
Personal allowances paid as part of salary	-	-
House allowance	-	336,000
Transport allowance	-	360,000
Leave allowance	-	52,000
Other personnel payments	-	168,000
Gratuity-contractual employees	708,829	617,622
Employer Contributions Compulsory national social security schemes	110,160	97,200
TOTAL	4,497,595	3,973,207

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Notes to the Financial Statements (Continued)

5. Use of Goods and Services

Description	2021-2022 Kshs	2020 - 2021 Kshs
Utilities, supplies and services	-	-
Electricity	27,082	16,892
Water & sewerage charges	5,742	13,301
Office rent	-	-
Telephone, Telex, Facsimile and Mobile Phone Service	109,000	262,135
Courier and Postal Services	203,231	-
Accommodation - Domestic Travel	738,498	-
Daily Subsistence Allowance	697,000	431,000
Subscriptions to Newspapers, Magazines and Periodicals	37,900	10,910
Hire of Transport	840,000	-
Hire of Equipment, Plant and Machinery	1,026,140	772,000
Hire of Training Facilities and Equipment	60,500	-
Catering Services (receptions), Accommodation, Gifts, Food and Drinks	1,579,840	1,857,576
Committee Expenses M&E Sitting Allowances	2,305,000	2,422,800
Committee Expenses Admin NGCDFC Sitting Allowances	1,035,000	615,000
Insurance costs	-	-
Purchase of Uniforms and Clothing - Staff	79,200	416,000
General Office Supplies (papers, pencils, forms, small office equipment etc.)	1,003,757	1,248,561
Supplies and Accessories for Computers and Printers	101,500	-
Sanitary and Cleaning Materials, Supplies and Services	88,726	-
Refined Fuels and Lubricants for Transport	100,000	-
Other operating expenses	-	-
Bank service commission and charges	33,000	64,103
Contracted Professional Services - e.g. Strategic Plan	40,700	-
Security operations	-	-
Maintenance Expenses - Motor Vehicles	677,010	247,789
Maintenance of Office Furniture and Equipment	90,000	-
Maintenance of Buildings and Stations -- Non-Residential	473,190	-
TOTAL	11,352,016	8,378,067

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Notes to The Financial Statements (Continued)

6. Transfer to Other Government Units

Description	2021-2022 Kshs	2020-2021 Kshs
Transfers to Primary Schools	90,500,000	72,650,000
Transfers to Secondary Schools	22,570,000	24,100,000
Transfers to Tertiary Institutions	12,800,000	16,000,000
TOTAL	125,870,000	112,750,000

7. Other Grants and Other transfers

Description	2021-2022 Kshs	2020 - 2021 Kshs
Bursary - Secondary (see attached list)	13,109,812	13,092,500
Bursary -Tertiary (see attached list)	8,682,500	1,430,000
Bursary- Special Schools	1,692,500	-
Mocks & CAT (see attached list)	-	1,260,000
Social Security programmes (NHIF)	1,980,000	1,890,000
Security Projects (see attached list)	6,500,000	5,200,000
Sports Projects (see attached list)	2,000,000	2,250,000
Environment Projects (see attached list)	150,000	-
Emergency Projects (see attached list)	5,900,000	7,850,000
TOTAL	40,014,812	32,972,500

8. Acquisition of Assets

<u>Non-Financial Assets</u>	2021-2022 Kshs	2020 - 2021 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and General Equipment	-	-
Purchase of computers, printers and other IT equipments	-	-
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	-	-

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TOTAL

Notes To the Financial Statements (Continued)

9. Other Payments

Strategic plan
ICT Hub
TOTAL

2021-2022	2020-2021
Kshs	Kshs

-	-
-	-
-	-

10: Cash Book Bank Balance

Name of Bank, Account No. & currency

Account Number

2021-2022	2020 - 2021
Kshs	Kshs
(30/6/2022)	(30/6/2021)

2021-2022	2020 - 2021
Kshs	Kshs
(30/6/2022)	(30/6/2021)

Equity Bank, Kakamega Branch. 0500279859138
Ikolomani NG-CDF
TOTAL

8,388,120	6,674,785
8,388,120	6,674,785

10B: CASH IN HAND)

2021-2022	2020-2021
Kshs	Kshs
(30/6/2022)	(30/6/2021)

2021-2022	2020-2021
Kshs	Kshs
(30/6/2022)	(30/6/2021)

Location 1
Location 2
TOTAL

-	-
-	-
-	-

11: Outstanding Imprests

Name of Officer or Institution

Date Imprest Taken

Amount Taken

Amount Surrendered

Balance

KShs

KShs

KShs

Name of Officer or Institution

Total

-	-	-
-	-	-

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Notes to the Financial Statement Continued

12A. Retention

	2021-2022 KShs	2020- 2021 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	-	-

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 Kshs (1/7/2021)	2020- 2021 Kshs (1/7/2020)
Bank accounts	6,674,785	2,480,835
Cash in hand	-	-
Imprest	-	-
TOTAL	6,674,785	2,480,835

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14. Prior Year Adjustments

Description of the error	Balance b/f	Adjustments	Adjusted
	FY 2020/2021 as per Audited Financial statements KShs	KShs	Balance** b/f FY 2021/2022 KShs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
Total	-	-	-

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020- 2021
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Closing accounts receivable as at 30th June 2022 (D=A+B-C)	-	-
Net changes in accounts receivables (E= D -A)	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-
Net changes in accounts payables (A-D)	-	-

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022 Kshs	2020-2021 Kshs
Deposits and Retention as at 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022 Kshs	2020-2021 Kshs
Compensation of employees	218,834	316,429
Use of goods and services	4,526	3,815,905
Amounts due to other Government entities (see attached list)	-	31,600,000
Amounts due to other grants and other transfers (see attached list)	5,894,760	16,231,330
Acquisition of assets	1,800,000	600,000
=Funds pending approval (AIA)	470,000	-
Total	8,388,120	52,563,664

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17.4: PMC account balances (See Annex 5)

	2021-2022 Kshs	2020-2021 Kshs
PMC account balances (see attached list)	21,658,067	17,498,941
Total	21,658,067	17,498,941

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**Annexes
Annex 1: Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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 Annex 2 - Analysis of Pending Staff Payables*

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund*

Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Compensation of employees		218,834	316,429	
Use of goods & services		4,526	3,815,905	
Amounts due to other Government entities				
Primary School Projects				
Imalaba Primary School		-	700,000	
Ishieywe Primary School		-	1,000,000	
Kimingini Primary School		-	2,000,000	
Lirhembe Primary School		-	2,000,000	
Lusiola Primary School		-	1,000,000	
Lusui Primary School		-	2,000,000	
Makhokho Primary School		-	2,000,000	
Malinya Primary School		-	3,500,000	
Matundu Primary School		-	1,500,000	
Shianjetso Primary School		-	2,000,000	
Shikombelo Primary School		-	2,000,000	
Shitechua Primary School		-	2,000,000	
Total		-	21,700,000	
Secondary Schools Projects				
Lirhembe Girls Secondary School		-	1,500,000	
Makhokho Secondary School		-	700,000	
Mutaho Girls Secondary School		-	800,000	
Shivagala Secondary School		-	1,400,000	
St. Boneventure Shimanyiro Secondary School		-	2,500,000	

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St. Francis Sabane Secondary School		-	2,000,000
Total		-	8,900,000
Tertiary institutions Projects		-	1,000,000
KMTC-Ikolomani Campus		-	1,000,000
Total		-	31,600,000
Sub-Total			
Amounts due to other grants and other transfers			
Security projects		-	2,000,000
Iguhu Police Station			
Bursary and social security		-	4,109,812
Secondary Schools		-	4,182,500
Tertiary Institutions		-	692,500
Special Needs			
Sports	To Carry Out Constituency Sports Tournament	500,000	1,500,000
Environment	Provision of 400 Tree seedlings per institution for the development of a woodlot to 20 Selected institutions at a cost of KShs 25,000 each	1,350,000	1,000,000
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	4,044,759	2,746,518
Sub-Total		5,894,759	16,231,330
Acquisition of assets			
Purchase of NGCDF Generator	Additional funds for the purchase and installation of a standby power backup generator.	1,800,000	600,000
Sub-Total		1,800,000	600,000
Funds pending approval (AIA)	Interest received from Madison Insurance	470,000	
Grand Total		8,388,120	52,563,664

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (KShs) 2019/20	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost (KShs) 2020/21
Land	300,000	-	-	300,000
Buildings and structures	5,000,000	-	-	5,000,000
Transport equipment	5,306,500	-	-	5,306,500
Office equipment, furniture and fittings	2,577,618	-	-	2,577,618
ICT Equipment, Software and Other ICT Assets	1,759,900	-	-	1,759,900
Other Machinery and Equipment	440,380	-	-	440,380
Heritage and cultural assets	15,384,398	-	-	15,384,398
Intangible assets	300,000	-	-	300,000
Total	31,068,796	-	-	31,068,796

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Annex 5 –PMC Bank Balances as at 30th June 2022*

No.	PMC	Account number	Bank	Date Account Was Opened	Bank Balance 2021/22 KShs	Bank Balance 2020/21 KShs
1.	Ikolomani Con. Sports Org.	01134631234000	Coop Bank	13.10.2014	53,476	347,519
2.	Imbale Primary School	01139033603400	Coop Bank	26.10.2012	1,002,158	567,948
3.	Lwanaswa Primary School	01139165613000	Coop Bank	25.09.2009	543	-
4.	Lirhembe Girls Sec School	01139165613201	Coop Bank	15.09.2009	1,505,669	6,149
5.	Shitoli Primary School	01139165613900	Coop Bank	05.09.2009	6,768	107,068
6.	Shinyikha Primary School	01139165614301	Coop Bank	16.09.2009	547	1,027
7.	Lusui Primary School	01139165623301	Coop Bank	14.01.2016	747	1,884,327
8.	Imalaba Primary School	01139165651800	Coop Bank	24.09.2009	64,174	769,802
9.	Iguyio Primary School	01139165710401	Coop Bank	01.01.2014	28,784	-
10.	Irechelo Primary School	01139165784802	Coop Bank	16.10.2015	4,378	4,858
11.	Ivonda Primary School	01139165838300	Coop Bank	01.01.2014	1,506,310	-
12.	Shiseno Primary School	01139165864200	Coop Bank	12.03.2010	1,837	42,317
13.	Ibuka Primary School	01139165864300	Coop Bank	12.03.2010	1,370	1,850
14.	St. Claire's Musoli Girls	01139166104400	Coop Bank	25.08.2010	34,437	35,917
15.	Busilwa Primary School	01139166147700	Coop Bank	21.07.2010	2,382	2,862
16.	Ishianji Primary School	01139166149102	Coop Bank	13.09.2012	35,773	36,253
17.	Lusiola Primary School	01139166445500	Coop Bank	22.09.2010	38,648	89,608
18.	Iremele Primary School	01139166445800	Coop Bank	01.01.2014	100,706	-
19.	Shirumba Primary School	01139166445900	Coop Bank	22.12.2010	29,892	28,372
20.	Milimani Primary School	01139166636802	Coop Bank	21.06.2012	2,404	2,884
21.	Bugute Primary School	01139166636902	Coop Bank	29.04.2011	14,807	15,287
22.	Shiduha Secondary School	01139166940000	Coop Bank	25.11.2011	1,786	2,266
23.	Ivole Primary School	01139166940200	Coop Bank	25.11.2011	5,704	11,484
24.	Shiamusinjili Sec School	01139166940600	Coop Bank	25.11.2011	9,960	10,440
25.	Shiduha Primary School	01139166940701	Coop Bank	25.11.2011	93,837	-
26.	Iguhu Primary School	01139166940801	Coop Bank	06.06.2018	580	1,060
27.	Shihalia Primary School	01139166941400	Coop Bank	25.11.2011	2,128	2,607
28.	Shijiko Primary School	01139166941500	Coop Bank	25.11.2011	43,958	45,038
29.	Naliava Primary School	01139166941600	Coop Bank	25.11.2011	1,230,813	541,293
30.	Shichinji Secondary School	01139166956700	Coop Bank	25.11.2011	29,527	40,607

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No.	PMC	Account number	Bank	Date Account Was Opened	Bank Balance 2021/22 KShs	Bank Balance 2020/21 KShs
31.	Shikokho Primary School	01139166963000	Coop Bank	30.11.2011	80,659	62,639
32.	Musasa Primary School	01139167305100	Coop Bank	22.06.2012	4,291	9,291
33.	Lusui Secondary School	01139167319600	Coop Bank	05.07.2012	11,050	839,650
34.	Shiavihiga Primary School	01139167482700	Coop Bank	09.10.2012	15,730	15,730
35.	Makhokho Secondary Sch	01139167794701	Coop Bank	23.01.2013	105,090	-
36.	Shiveye Primary School	01139167810301	Coop Bank	22.02.2017	1,001,243	1,723
37.	Lirhembe Friends Sec Sch	01139167913801	Coop Bank	23.04.2018	7,618	128,098
38.	Imbale Secondary School	01139545707600	Coop Bank	18.02.2014	77,498	118,578
39.	Mutaho Girls Sec School	01139631900300	Coop Bank	31.07.2015	1,142,374	900,548
40.	Ivonda Secondary School	01139631903101	Coop Bank	13.09.2018	17,885	18,335
41.	Shimanyiro Secondary Sch	01139631904100	Coop Bank	04.08.2015	53,994	85,507
42.	Shikokho Secondary School	01139632420100	Coop Bank	29.06.2016	301,417	71,021
43.	Sabane Secondary School	01139632679201	Coop Bank	22.03.2017	371,615	73,994
44.	Ibwali primary School	01139632685700	Coop Bank	27.06.2019	601	1,081
45.	Mumbetsa Primary School	01141098419100	Coop Bank	24.10.2014	12,313	10,452
46.	Ishieywe Primary School	01141165613800	Coop Bank	09.07.2018	501,528	308,225
47.	Kasavayi Primary School	01141166149200	Coop Bank	21.11.2017	8,783	9,263
48.	Imulama Primary School	01141167794600	Coop Bank	29.05.2017	20,641	1,021,121
49.	Shiveye Secondary School	01141632536800	Coop Bank	03.11.2016	775	1,255
50.	Eregi police station	01141632676200	Coop Bank	26.01.2017	8,860	9,340
51.	Isulu Police Station	01141632693100	Coop Bank	25.01.2017	364	364
52.	Ibuyonje Primary School	01141632874000	Coop Bank	01.01.2016	254,650	-
53.	Lusui Police Station	01141804286000	Coop Bank	04.06.2018	295	775
54.	KMTC Ikolomani Campus	0500278876248	Equity Bank	17.05.2019	84,235	9,558
55.	Musoli Mixed Primary Sch	0500278940019	Equity Bank	10.06.2019	4,197	22,317
56.	Matundu Primary School	1101835796	KCB	07.01.2016	4,445,634	1,170,949
57.	Munyanza Primary School	1101836555	KCB	15.10.2013	52,516	52,516
58.	Iluya Primary School	1106949811	KCB	07.01.2016	1,192	1,191
59.	Madivini Primary School	1106960017	KCB	07.09.2015	952,462	1,425,533
60.	Imusali Primary School	1106964160	KCB	21.06.2021	6,989	6,989
61.	Imulembo Primary School	1109452772	KCB	29.04.2015	83,083	7,536
62.	Malinya Primary School	1111627223	KCB	17.06.2019	960	959

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No.	PMC	Account number	Bank	Date Account Was Opened	Bank Balance 2021/22 KShs	Bank Balance 2020/21 KShs
63.	Shikhombelo Primary Sch	1112052747	KCB	24.06.2016	1,233,388	45,779
64.	Shivagala Secondary School	1133467946	KCB	11.03.2015	6,315	5,764
65.	Lirhembe Primary School	1172709238	KCB	13.12.2016	127,791	22,032
66.	Shimanyiro Primary School	1183075197	KCB	29.06.2020	3,038	2,360
67.	Iremele Secondary School	1261771559	KCB	21.07.2020	56,408	58,644
68.	Kaluni Primary School	1266243895	KCB	20.01.2015	18,922	20,113
69.	Mwikhomo Primary school	1267746106	KCB	01.01.2014	1,000,468	-
70.	Burendwa Primary School	1271024330	KCB	28.01.2021	248,426	249,661
71.	Shikumu Primary School	1271024845	KCB	03.02.2020	41,035	119,329
72.	Shianjetso Primary School	1271025108	KCB	20.01.2015	244,514	2,552,905
73.	Makhokho Primary School	1271025299	KCB	23.04.2020	-	2,523
74.	Malinya Primary School 2	1271025434	KCB	06.04.2020	967,477	13,684
75.	Kimingini Primary School	1271025574	KCB	23.04.2020	127,791	39,240
76.	St. Angela Eregi Girls B. Fry	1272134830	KCB	12.03.2020	8,457	301
77.	Mukoyani Primary School	1273405080	KCB	05.02.2021	1,734,845	413,117
78.	Lwanaswa Police Post	1274816378	KCB	16.07.2020	12,730	13,795
79.	Iguhu Police Station	1275681565	KCB	10.07.2020	-	948,824
80.	Kakamega South DCC's Off	1277505969	KCB	01.09.2021	136,780	97,604
81.	Imulama Police Post	1280169567	KCB	28.09.2021	16,552	13,455
82.	Shivagala Primary School	1284103668	KCB	16.03.2021	875	22,270
83.	Bushiangala Secondary Sch	1284393410	KCB	17.03.2021	3,209	4,400
84.	Shitechia Primary School	1285623754	KCB	30.03.2021	184,405	1,869,760
	TOTAL				21,658,067	17,498,941

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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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
IKOLOMANI NG-CDF 2019-020/ (19)					
1.0	<p>Unauthorized adjustments on unutilized funds</p> <p>-The Fund had an un-utilized fund balance of KShs. 10,545,344.00, from the previous year, (2018/2019) budget. Even though adjustments totalling the same amount were made, the individual figures for the votes were altered with no explanation as to why this was done.</p>	<p>The management had allocated KShs 1,312,000 in the financial year 2018/2019 for the rehabilitation of the Ikolomani NGCDF office. However, at the end of the financial year, the actual amount utilized was KShs 1,232,760 leaving a balance of KShs 79,240, which had been earlier classified under "Acquisition of Assets". However, in the subsequent financial year of 2019/20, it was utilized under goods and services which necessitated its reclassification. Further, the adjustment on amounts due to other grants & other payments of KShs 200,000 was because during the Financial Year 2019/2020 the management applied for and received approval to reallocate funds from Lidambitsa Market Project which had been classified</p>	Management	Resolved	N/A

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2.0	<p>Inaccurate disclosure of PMC Account balances -Annex 5 to the financial statements reflects an amount of KShs. 10,923,577.00 and Ksh.4,177,963 on PMC bank account balances for the two consecutive years, 2018/2019 and FY 2019/2020 respectively. However, the re-computation procedure performed on the bank balances revealed variances making the accuracy of the disclosures doubtful.</p>	<p>under others. The reallocation was to Bursary to secondary schools which are classified under Amounts due to other grants and payments. The error, in addition, was noted by management and the financial statements have been revised and corrected.</p>	Management	Resolved	N/A
3.0	<p>3. None Adherence to Public Sector Accounting Standards Board Reporting Format The management of the Constituency Development Fund did not prepare the financial statements in conformity with the revised financial statement reporting template duly approved by PSASB which requires the numbering of the financial statements to begin with roman numbers from the table of contents to the report of the independent</p>	<p>The error in numbering the pages of financial statements was corrected. The amount of KShs 200,000 for Lidambitsa Market was reallocated to Bursary to secondary schools thus it necessitated its reclassification from "Others" to "amounts due to other grants & other payments".</p>	Management	Resolved	N/A

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	<p>auditors then page 1 to begin from the statement of receipts and payments.</p> <p>The financial statements contain blank entries/ tables of components which contain no account balances. Under annexe 3 on un-utilized funds, an amount of Kshs.200,000 which was disclosed as Lidambitsa market in the financial year 2018/2019 does not reflect in the comparative's column of the financial statements for 2019/2020.</p>			
4.0	<p>Cash and Cash equivalents. It was noted that the cash and cash equivalents balance of Kshs.2,480,835 reflected in the statement of assets and liabilities as of 30 June 2020 contains two stale cheques totalling Kshs.14,000 which are not payable and have not been reversed in the cash book.</p> <p>In the circumstances, it was not possible to ascertain the completeness and accuracy of the cash and cash equivalents balance reflected in the statement of assets and liabilities as of 30 June 2020.</p>	<p>The management took cognizant of the state cheques and subsequently cancelled the respective cheques and reissued them to other beneficiaries</p>	Management	Resolved
				N/A

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5.0	<p>Other Matter</p> <p>5.1 Budget Performance Under the summary statement of appropriation: recurrent and development combined, the Fund has reported an expenditure of Kshs.74,364,510 against a budgeted amount of Kshs.147,913,068, thereby resulting in a net budget under-absorption of Kshs.73,548,558 representing 49.7% of the budget.</p>	<p>The low utilization of the budgeted funds was due to the delay in the disbursement of funds by the NGCDF Board. Also, the NGCDFC could not implement projects as the funds for the projects were received close to the end of the financial year. However, the funds were later released by the NGCDF Board which were utilized and the projects are in various stages of completion.</p>	Management	Resolved	N/A
	<p>5.2 Projects Implementation Status The fund has disbursed a total of Kshs.701,103,235.52 to finance 412 projects between the financial years 2013/2014 to 2019/2020. However, at the time of audit for the financial year ending 30 June 2020, the fund had only completed 5% of the projects, that is 16 Projects amounting to Kshs36,263,080.86.</p>	<p>The Management has reviewed and updated the Project Implementation Status (PIS) report which represents the true position of the status of the projects. In addition, most of the projects have been allocated additional funds in the financial year 2020/2021 which will enable their completion. Besides, management is conscious of the projects that have taken more than three financial years and have committed to allocating additional funds for the completion of the respective projects</p>	Management	Resolved	N/A
6.0	<p>Basis for Conclusion</p> <p>6.1 Projects Verification</p>	<p>Due to the Ministry of Education policy on 100% transition of pupils into secondary schools, the</p>	Management	Resolved	N/A

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<p>6.1.1 Secondary Schools</p>	<p>During audit verification on 25th March 2021, the following observation was made on the various project visited.</p> <ul style="list-style-type: none"> • Mutaho Girls Secondary School; <p>The project received Kshs 1,500,000 paid to vide voucher no 57 dated 07.02.2020 and cheque no 6287 during the year under review The project entailed the construction of storey classrooms and admin block. However, on physical verification, it was noted that the project has been ongoing since the 2014/2015 financial year an amount of Kshs.15,000,000 has been spent on the project and is still not completed.</p> <ul style="list-style-type: none"> • Lirhembe Friends Secondary <p>The project received Kshs 3,500,000 during the year under review which was disbursed vide payment voucher no. 67 and cheque no. 006301 dated 21/02/2020, and also another payment amounting to Kshs 1,500,000 disbursed vide voucher no 126 and cheque no. 6400 dated</p>			<p>management decided to spread the funds allocated to various projects to cover more schools. However, the committee has committed to funding the projects to completion in the current financial year 2020/21 and has allocated adequate funds for their completion</p>
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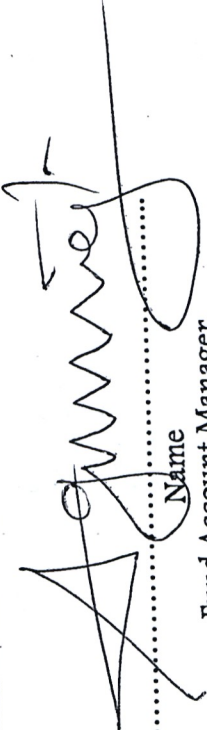
	<p>04/06/2020. The project entailed the construction of a Library holding 80 students, 2 classrooms and 4 offices.</p> <p>It was however noted that the Project has been outstanding since the F/Y 2013/2014 with a cumulative amount of Kshs. 12,000,000 has already been spent on the project.</p>			
	<p>6.1.2 Primary schools</p> <p>A review of the project files and physical verification of the projects under the primary schools' category revealed the following position;</p> <p>1. Imulama Primary School received a disbursement of Ksh 3,000,000.00 under the FY 2020/2021 for the Casting of the Suspended Slab, fixing doors & windows, of 8 No. classrooms. However, at the first-floor lintel level, the suspended slab level was done without supporting pillars.</p>	<p>The project was approved by the NGCDF Board to go up to the suspended slab level. However, additional funds in the subsequent financial year of 2020/21 were disbursed and additional works carried out. Nevertheless, the works have been done according to the approved Bill of quantities (B.O.Qs) and plans and the works have been supervised by the County Works Officer.</p>	<p>Management</p>	<p>Resolved</p>
	<p>2. Musoli Mixed Primary school received a disbursement of KSHs 2,850,000.00 for renovations by re-roofing, re-fixing doors & windows, plastering, and painting a 9No. Classroom to completion. However, renovations and terrazzo were incomplete.</p>	<p>The works were completed by the contractor and all the defects were made good.</p>	<p>Management</p>	<p>Resolved</p>
				<p>N/A</p>

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	<p>3. St. Clares Musoli Girls Primary received a disbursement of Ksh. 1,700,000.00 for Renovations by re-roofing, re-fixing doors & windows, plastering, and painting a 9No. Classroom to completion. However, Only iron sheets were replaced, and re-painting was done.</p>	<p>The renovations were carried out as per the bill of quantities developed and supervised by the Sub County works officer.</p>	Management	Resolved	N/A
<p>4. Shikumu Primary School received a disbursement of KShs. 2,000,000.00 for the construction of 8 No storey Classrooms up to the suspended slab level. However, the Project is on the first-floor pillars supporting pillars. Pillar sub-structures on the first floor are made using a mixture of D8 & D16 steel rods.</p>	<p>The project was approved by the NGCDF Board to go up to the suspended slab level. However, additional funds in the subsequent financial year of 2020/21 were disbursed and additional works carried out. Nevertheless, the works have been done according to the approved Bill of quantities (B.O.Qs) and plans and the works have been supervised by the County Works Officer.</p>	Management	Resolved	N/A	
<p>6.2 Undelivered Strategic Plan Ikolomani NG-CDF incurred an expenditure of Kshs.2,843,334 on the development of the Strategic Plan in the financial year ending 30 June 2020 with the contract being awarded to a local contractor M/s. NC Sevens Ltd. However, it could not be established how the contractor was awarded the contract since no procurement documents were</p>	<p>The committee awarded the consultancy to develop the strategic plan to M/s NC Sevens Ltd through Expression of Interest (EOI). After following all the necessary procurement regulations and procedures. Besides, the consultant delivered the Strategic Plan within the stipulated time and it was adopted by the committee for distribution.</p>	Management	Resolved	N/A	

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	<p>availed for audit verification. Further, no strategic plan was submitted for audit verification leading to the conclusion that it may not have been delivered</p>				
<p>6.3 Irregular Allocation of Bursary NGCDF Ikolomani spent a total of Kshs.3,515,000 on bursary which is 5.1% of the amount received from the NG CDF Board. This is in contravention of the NG CDF Act 2015 and the NG CDF Regulations 2016 which require that not less than 25% of the total allocation should be allocated for bursaries The needy residents of Ikolomani Constituency may have been denied access to education services due to low disbursement of the Bursary funds.</p>	<p>Management had allocated for the financial year 2019/2020, KShs 21,000,000.00 towards the provision of bursaries to bright and needy children. However, due to the measures put by the Government to prevent the spread of COVID 19 during the financial year under review, which included the closure of learning institutions, the management also suspended the exercise of awarding bursary. Nevertheless, the amount allocated on bursary was later utilised in the subsequent financial year of 2020/21.</p>	<p>Management</p>	<p>Resolved</p>	<p>N/A</p>	



 Name
 Fund Account Manager.