


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY	
DATE: 04 JUL 2023	DAY: TUE
TABLED BY: HON. ODIEN BAMA, OCS, MP	OF: Deputy Leader of Majority
CLERK-AT THE TABLE: WZOFU MAKALE	

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THE AUDITOR-GENERAL

ON

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

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

22 MAY 2023

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KANGUNDO 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)

***Kangundo 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;

Kangundo Constituency

National Government Constituencies Development Fund (NGCDF)

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

- 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 Kangundo 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	Wesley Kibet Ng'eno
2.	Sub-County Accountant	Susan Mwalimu
3.	Chairman NGCDFC	John Kituku
4.	Member NGCDFC	James Kivondo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1035-90115
NGCDF Kangundo Building
Kangundo Police Station Road
Kangundo, KENYA

(f) Kangundo Constituency NGCDF Contacts

Telephone: (254) 0724-781-421
E-mail: cdfkangundo@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Kangundo Constituency NGCDF Bankers

Equity Bank
Tala Branch
P.O Box 343-90131
Tala

(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

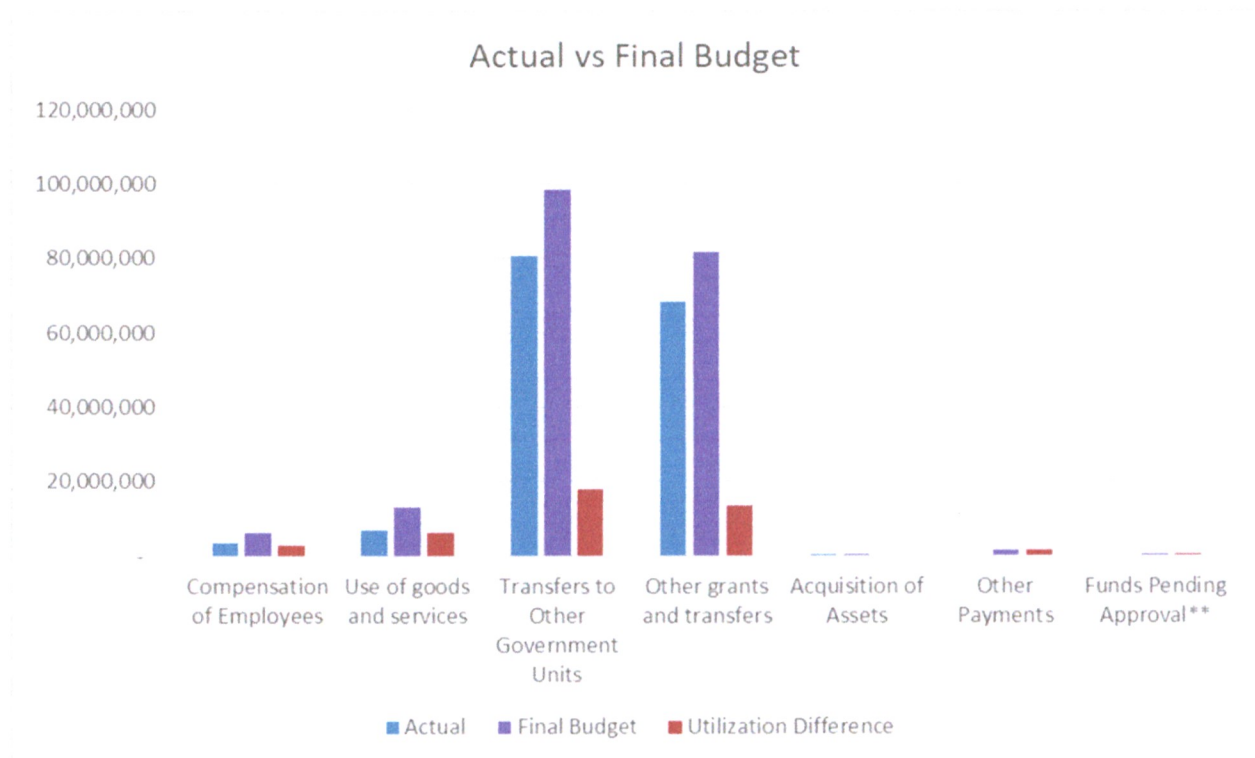
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman’s Report

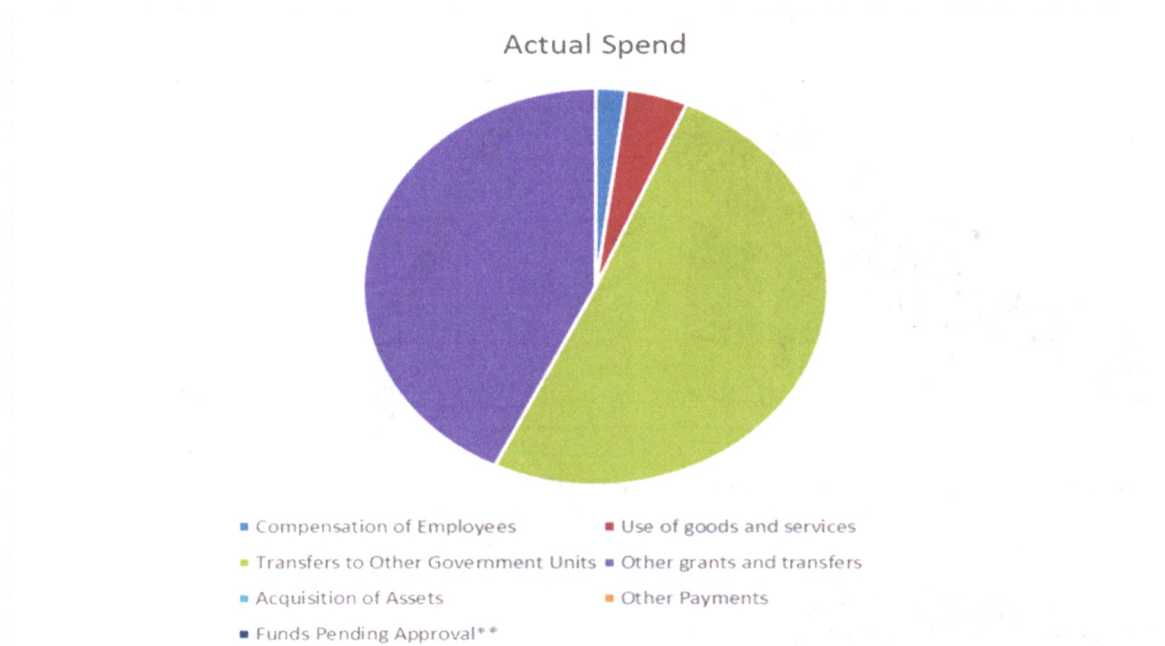


John Kituku Nzuki-Chairman Kangundo NGCDFC

NGCDF Kangundo has had a successful year other than for a few challenges here and there. The organisation was able to receive Kshs 169,677,758 as funding from the board during the financial year. Together with the balance brought forward the organisation had an actual funds available totalling to Kshs 188,575,906 out of which we successfully utilized Kshs 158,986,724 which is a 84% utilization rate. As compared to the final budget, however, the utilization rate was 79% which is due to the funds that have not been received from the board and funds which were received late as the financial year came to an end. Below is a chart detailing the actual expenditure as compared to the final budget.



Below is a pie chart detailing the actual spend of the constituency per sector:



The fund was successful in that we were able to disburse bursary to needy students in the constituency, support infrastructure growth in primary and secondary schools as well as infrastructure for security offices. The fund was also able to organise sports tournament where youth were able to showcase their talent and use their energy positively and interact with their fellow youth from around the constituency.

One of the main challenges that the constituency experienced during the implementation of projects during the financial year was the sudden increase in the cost of construction inputs such as cement and steel associated with the increase in fuel costs and general inflation in the economy. This was a challenge because the initial approved budget for projects could no longer suffice to implement projects as costs of inputs rose by up to 20%. Going forward we are going to review the budgets of projects in line with the new costs for us to maintain the same project deliverables.

Some of the best projects implemented during the year were:

1. Kyelendu Primary School- Construction of 2 classrooms



2. Kathome Primary School- Construction of 3 classrooms



Signature

.....
JOHN KITUKU NZUKI
CHAIRMAN NGCDF COMMITTEE

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 in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of **Kangundo Constituency** 2018-2022 plan are to:

- a) To improve access to and quality of education
- b) To improve school performance in national examinations and transitioning to higher levels of learning
- c) To increase security in the constituency
- d) To build capacity in monitoring and evaluation of development projects

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To improve access to and quality of education	Increased enrolment in primary schools, secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions, numbers of schools and students	Number of physical infrastructure in schools has increased by 48 new classes during the strategic period 2018-2022 in which primary schools projects were 29 and 19 new secondary school classrooms. Bursary beneficiaries at all levels were as per note 7 to the financial statements on
	To improve school performance in national	Better grades leading to	% increase in the	statements on

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

Constituency Sector	Objective	Outcome	Indicator	Performance
	examinations and transitioning to higher levels of learning	improved transition to secondary schools and tertiary institutions	number of students joining secondary schools and tertiary institutions	other grants and other transfers. Number of students joining secondary schools and tertiary institutions has increased.
Security	To increase security in the constituency	Less crime in the area	Number of crimes reported, numbers of security projects completed	3 Chiefs, Assistant chief and Assistant county commissioners' offices have been built.
Monitoring and evaluation	To build capacity in monitoring and evaluation of development projects	Better built projects with a greater impact	Number of completed projects in use	NGCDFC and PMC training has been undertaken

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kangundo NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion

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

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

2. Environmental performance

NGCDF Kangundo is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organisation has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices.

3. Employee welfare

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

Kangundo 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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


.....
Wesley Kibet Ng'eno
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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Kangundo 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-Kangundo 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 charge of the NGCDF- Kangundo 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 Kangundo Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the entity's funds received during the year under audit were used for the

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

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- Kangundo Constituency financial statements were approved and signed by the Accounting Officer on 18/05/ 2023.


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Name: John Kituku Nzuki
Chairman – NGCDF Committee


.....

Name: Wesley Kibet Ng'eno
Fund Account Manager



REPUBLIC OF KENYA

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Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KANGUNDO 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 - Kangundo Constituency set out on pages 1 to 53, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the

*Report of the Auditor-General on National Government Constituencies Development Fund - Kangundo Constituency
for the year ended 30 June 2022*

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 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 the National Government Constituencies Development Fund - Kangundo 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. Inaccuracies in Asset Balances

Annex 4 on summary of fixed assets register reflects asset balance of Kshs.22,072,001. However, the balance omits land of undetermined value where the Constituency's offices are located. In addition, land ownership documents were not provided for audit.

In the circumstances, the accuracy and completeness of the assets balance of Kshs.22,072,001 could not be confirmed.

2. Stale Cheques

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.29,589,184 as disclosed in Note 10A to the financial statements. The balance includes un-presented cheques totalling to Kshs.1,302,506 out of which Kshs.68,041 were stale cheques not written back to the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.68,041 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 - Kangundo Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final budgeted expenditure of Kshs.201,075,906 and actual on comparable basis of Kshs.158,986,724 resulting to an under-expenditure of Kshs.42,089,184 or 21% of the approved budget.

The under-expenditure affected the planned activities and programmes and negatively impacted on effective service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Weaknesses in Project Implementation

Note 6 to the financial statements reflects transfers to secondary schools of Kshs.10,500,000. The amount includes Kshs.3,420,940 transferred to Mukuyuni Secondary School for construction of three (3) classrooms and Kshs.949,410 to Mulingana Secondary School for construction of one classroom. However, verification in the month of March, 2023 revealed that the floors in both schools were peeling off and notable cracks on the walls. In addition, Note 7 to the financial statements reflects security projects of Kshs.3,450,000 which includes Kshs.3,000,000 for construction of Kangundo Chief's Office. However, physical verification in the month of March, 2023 revealed that the walls had cracks while the corners between the walls and the ceilings had cracked which required to be filled.

In the circumstances, value for money on expenditure of Kshs.7,370,350 for construction of classrooms in the two (2) schools and construction of Chief's Office could not be confirmed.

2. Unprioritized Projects

Note 6 to the financial statements reflects transfer to other Governments units of Kshs.80,601,425 out of which Kshs.70,101,425 were transferred to secondary schools and Kshs.10,500,000 to primary schools. However, at Kwakathule Secondary School a 10,000-litre tank was installed instead of eight door latrine and renovation of four classes. In addition, at Matithini Secondary School a kitchen was constructed instead of construction of a laboratory, installation of electricity, renovation of three classes and construction of two classes. Further, at Manyatta Primary a 10,000 litres tank was installed instead of renovation of six classrooms, construction of a dormitory and

administration block, repair of borehole. Also, at Manyatta Secondary only a 10,000-litre tank was installed and the construction of a dormitory, a laboratory, renovation of six classes were not done.

In the circumstances, the projects implemented were not a priority to the residents.

3. Lack of Formal Appointment for Bursary Sub-Committee Members

The statement of receipts and payments reflects use of goods and services amount of Kshs.6,847,194, which includes Committee allowances of Kshs.2,206,600 as disclosed in Note 5 to the financial statements. Review of allowance expenditure records revealed payments to Sub-committee Members for monitoring and evaluation, distribution of bursary forms, among other activities. However, appointment letters to the Sub-committee Members were not provided.

In the circumstances, Fund may have made irregular payments to persons not appointed to the committee.

4. Unapproved Constituency Bank Account

The statement of assets and liabilities and Note 10A to the financial statements reflects bank balances of Kshs.29,589,184 being the balance for the account operated by the Fund at Equity Tala Branch. However, there was no evidence of approval from The National Treasury to opening and operating this account. This was contrary to Section12(1) of the National Government Constituencies Development Fund Act, 2015 which states that for the purpose of disbursement of funds under this Act there shall be opened and maintained a constituency account for every constituency at any commercial bank, approved by The National Treasury into which all funds shall be kept and such an account shall be known by the name of the constituency for which it is opened and each constituency shall maintain only one account.

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

5. Failure to Return Unspent PMC Account Balances

Note 17.4 to the financial statements and Annex 5 reflect Project Management Committee (PMC) bank account balances totalling to Kshs.29,800,192. The balance includes Kshs.18,257,662 being unspent balances for fifteen (15) projects which had been completed but not transferred to constituency account. This was contrary to Section12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Bursary Disbursement Criteria

Note 7 to the financial statements reflects bursaries disbursements to secondary schools of Kshs.29,980,000 and tertiary institutions of Kshs.13,994,800. However, the approved criteria for selection and award of bursaries to the beneficiaries was not stated. In addition, details for some beneficiaries including admission numbers were missing from to secondary schools disbursements.

In the circumstances, the effectiveness of internal controls on identification and award of bursaries could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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

16 June, 2023

Kangundo Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	169,677,758	162,336,141
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		5,000
TOTAL RECEIPTS		169,677,758	162,341,141
PAYMENTS			
Compensation of employees	4	3,381,300	4,295,275
Use of goods and services	5	6,847,194	6,201,200
Transfers to Other Government Units	6	80,601,425	78,461,927
Other grants and transfers	7	68,136,910	66,967,347
Acquisition of Assets	8	19,895	1,286,101
Other Payments	9	-	-
TOTAL PAYMENTS		158,986,724	157,211,849
SURPLUS/DEFICIT		10,691,034	5,129,292

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 18/05/2023 and signed by:

Fund Account Manager
Name: Wesley Kibet Ng'eno



National Sub-County Accountant
Name: Susan Ndanu Mwalimu
ICPAK M/No: 20392

KANGUNDO
P. O. Box 1059 - 90115,
KANGUNDO

Chairman NG-CDF Commit
Name: John Kituku Nzuki

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
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VIII. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	29,589,182	18,898,148
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		29,589,182	18,898,148
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		29,589,182	18,898,148
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		29,589,182	18,898,148
REPRESENTED BY			
Fund balance b/fwd 1st July 2021	13	18,898,148	13,768,856
Prior year adjustments	14	-	-
Surplus/Deficit for the year		10,691,034	5,129,292
NET FINANCIAL POSITION		29,589,182	18,898,148

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 18/05/2023 and signed by:



Fund Account Manager
 Name: Wesley Kibet Ng'eno



THE NATIONAL SUB-COUNTY ACCOUNTANT
 KANGUNDO
 P. O. Box 1059 - 90115,
 KANGUNDO

National Sub-County Accountant
 Name: Susan Ndanu Mwalimu
 ICPAK M/No: 20392



Chairman NG-CDF Committee
 Name: John Kituku Nzuki

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. Statement of Cash Flows for the Year Ended 30th June 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	169,677,758	162,336,141
Other Receipts	3		5,000
		169,677,758	162,341,141
Payments for operating activities			
Compensation of Employees	4	3,381,300	4,295,275
Use of goods and services	5	6,847,194	6,201,200
Transfers to Other Government Units	6	80,601,425	78,461,927
Other grants and transfers	7	68,136,910	66,967,347
Other Payments	9	-	-
		158,966,829	155,925,748
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		10,710,929	6,415,393
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(19,895)	(1,286,101)
Net cash flows from Investing Activities		(19,895)	(1,286,101)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	10	18,898,148	13,768,856
Cash and cash equivalent at END of the year		29,589,182	18,898,148

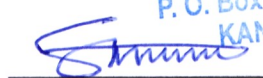
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 18/05/2023 and signed by:



Fund Account Manager

Name: Wesley Kibet Ngeno




National Sub-County Accountant

Name: Susan Ndanu Mwalimu
ICPAK M/No:20392


Chairman NG-CDF Committee

Name: John Kituku Nzuki

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS							
Transfers from NG-CDF Board	137,088,879	18,898,148	45,088,879	201,075,906	188,575,906	12,500,000	93.8%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,088,879	18,898,148	45,088,879	201,075,906	188,575,906	12,500,000	93.8%
PAYMENTS							
Compensation of Employees	3,995,639	907,059	1,333,566	6,236,264	3,381,300	2,854,964	54.2%
Use of goods and services	8,342,360	833,856	3,773,473	12,949,690	6,847,194	6,102,496	52.9%
Transfers to Other Government Units	63,706,676	10,786,825	24,100,000	98,593,501	80,601,425	17,992,076	81.8%
Other grants and transfers	61,044,203	4,743,620	15,881,840	81,669,663	68,136,910	13,532,753	83.4%
Acquisition of Assets	-	19,895	-	19,895	19,895	-	100.0%
Other Payments	-	1,424,508	-	1,424,508	-	1,424,508	0.0%
Funds Pending Approval	-	182,385	-	182,385	-	182,385	0.0%
TOTAL	137,088,879	18,898,148	45,088,879	201,075,906	158,986,724	42,089,182	79.1%

Kangundo Constituency
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Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or ALA not yet allocated for specific projects.
 Explanatory Notes

- i) *The utilization rate of funds compared to the final budget stands at 79% because of funds received late from the Board and because of funds not yet received from the Board. Specifically Kshs 12,500,000 which forms 9% of the budget is yet to be received from the Board as at the close of the financial year 2021/2022. However, when we look at the utilization of actual funds available for use within the financial year that stands at 84%*

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

Description	Amount
Budget utilization difference totals	42,089,182
Less undispursed funds receivable from the Board as at 30th June 2022	12,500,000
Add Accounts payable	29,589,182
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	29,589,182

The Constituency financial statements were approved on 18/05/2023 and signed by:


 Fund Account Manager


 National Sub-County Accountant


 Chairman NG-CDF Committee

Name: Wesley Kibet Ng'eno
 ICPAK M/No: 20392

Name: Susan Ndanu Mwalimu
 ICPAK M/No: 20392

Name: John Kituku Nzuki



THE NATIONAL SUB-COUNTY ACCOUNTANT
 KANGUNDO
 P. O. Box 1059 - 90115,
 KANGUNDO 5

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

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)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
1.0 Administration and Recurrent	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
1.1 Compensation of employees	3,995,639	907,059	1,333,566	6,236,264	3,381,300	2,854,964	54%
1.2 Committee allowances	2,200,000	242,946	201,931	2,644,877	2,206,600	438,277	83%
1.3 Use of goods and services	2,029,694	240,541	346,747	2,616,982	1,527,994	1,088,988	58%
Total	8,225,333	1,390,547	1,882,244	11,498,123	7,115,894	4,382,229	62%
2.0 Monitoring and evaluation							
2.1 Capacity building	1,300,000	4,500	1,300,000	2,604,500	899,600	1,704,900	35%
2.2 Committee allowances	2,712,666	336,910	1,824,796	4,874,373	2,213,000	2,661,373	45%
2.3 Use of goods and services	100,000	8,958	100,000	208,958	-	208,958	0%
Total	4,112,666	350,369	3,224,796	7,687,831	3,112,600	4,575,231	40%

Kajiado Constituency
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
3.0 Emergency	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
3.1 Primary Schools							
Kwandi Primary School	1,300,000			1,300,000	1,300,000	-	100%
Mususy Primary School	500,000			500,000	500,000	-	100%
Kivi Primary School	1,000,000			1,000,000	1,000,000	-	100%
Kwakathule Primary School	1,000,000			1,000,000	1,000,000	-	100%
Kwambalu Primary School			2,400,000	2,400,000	2,400,000	-	100%
Kilalani Primary School			1,000,000	1,000,000	1,000,000	-	100%
Kitongi Primary School			1,000,000	1,000,000	1,000,000	-	100%
Matithini Primary School			480,000	480,000	-	480,000	0%
Malatani Primary School			480,000	480,000	-	480,000	0%
3.2 Secondary schools							

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
DEB Kangundo Secondary School	1,000,000			1,000,000	1,000,000	-	100%
Kavilinguni Secondary School	1,000,000			1,000,000	1,000,000	-	100%
Mukurike Secondary School			343,000	343,000	-	343,000	0%
3.3 Tertiary institutions				-		-	
3.4 Security projects				-		-	
Kathaana Assistant Chiefs Office			45,207	45,207	45,207	-	100%
Matetani Assistant Chiefs Office			70,000	70,000	70,000	-	100%
Miu Assistant Chiefs Office			70,000	70,000	70,000	-	100%
3.5 Emergency Balance 2021-2022	1,392,207			1,392,207	-	1,392,207	0%
3.6 Emergency Balance 2019-2020		242		242	-	242	0%
3.7 Kangundo NGCDF Office			44,000	44,000	44,000	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
Total	7,192,207	242	5,932,207	13,124,656	10,429,207	2,695,449	79%
4.0 Bursary and Social Security							
4.1 Primary Schools							
4.2 Secondary Schools	29,868,441	1,255,021		31,123,463	29,980,000	1,143,463	96%
4.3 Tertiary Institutions	14,000,000	3,411		14,003,411	13,994,800	8,611	100%
4.4 Universities							
4.5 Social Security							
Total	43,868,441	1,258,432		45,126,874	43,974,800	1,152,074	97%
5.0 Sports							
5.1 Kangundo Sports Fund	2,741,778			2,741,778	2,741,778	0	100%
5.2 Kangundo Sports Fund(2020/21)		2,746,065		2,746,065	2,742,438	3,627	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
Total	2,741,778	2,746,065	-	5,487,842	5,484,215	3,627	100%
6.0 Environment							
6.1 Kangundo DEB Secondary School	342,722			342,722	342,722	-	100%
6.2 Kathithymaa Secondary School	342,722			342,722	342,722	-	100%
6.3 Kikambuani Secondary School	342,722			342,722	342,722	-	100%
6.4 Karmanzi SA Primary School	342,722			342,722	342,722	-	100%
6.5 Kangundo Police Station Chapel	342,722			342,722	-	342,722	0%
6.6 Kawauri Secondary School	342,722			342,722	342,722	-	100%
6.7 Manyatta Secondary School	342,722			342,722	342,722	-	100%
6.8 Manyatta Primary School	342,722			342,722	342,722	-	100%
6.9 Matetani Secondary School			342,805	342,805	342,805	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
7.0 Muisuni Secondary School			342,805	342,805	342,805	-	100%
7.1 Mukuyuni S.A Secondary School			342,805	342,805	342,805	-	100%
7.2 MIU ABC Kiamba Secondary School			342,805	342,805	342,805	-	100%
7.3 Katheni Secondary School			342,805	342,805	342,805	-	100%
7.4 Kwakathule Secondary School			342,805	342,805	342,805	-	100%
7.5 Kangundo Police Station			342,805	342,805	342,805	-	100%
Total	2,741,778	-	2,399,633	5,141,410	4,798,688	342,722	93%
7.0 Primary Schools Projects				-		-	
7.1 Kiomo Primary School	3,600,000			3,600,000	3,600,000	-	100%
7.2 Kathome Primary School	3,600,000			3,600,000	3,600,000	-	100%

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

Programme/Sub-Programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
7.3 Kwamwenze Primary School	3,600,000			3,600,000	3,600,000	-	100%
7.4 Mususye Primary School	2,400,000			2,400,000	2,400,000	-	100%
7.5 Kyaaka Primary School	1,650,000			1,650,000	-	1,650,000	0%
7.6 Kawethei HGM Primary School	1,650,000			1,650,000	-	1,650,000	0%
7.7 Kikaluu Primary School	2,400,000			2,400,000	2,400,000	-	100%
7.8 Kithuani Primary School	2,400,000			2,400,000	2,400,000	-	100%
7.9 Kikonden Primary School	1,625,000			1,625,000	1,625,000	-	100%
7.10 Kawau Primary School	1,625,000			1,625,000	-	1,625,000	0%
7.11 Mbononi Primary School	2,100,000			2,100,000	2,100,000	-	100%
7.12 Kavilinguni Primary School	2,100,000			2,100,000	2,100,000	-	100%
7.13 Kilindoni Primary School	1,650,000			1,650,000	1,650,000	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
7.14 Matungulu AIC Primary School	1,100,000			1,100,000	-	1,100,000	0%
7.15 Iia Itune Primary School	3,600,000			3,600,000	3,600,000	-	100%
7.16 Unyuani Primary School	2,150,000			2,150,000	2,150,000	-	100%
7.17 Miu Primary School	1,650,000			1,650,000	1,650,000	-	100%
7.18 Kwandiu Primary School	2,400,000			2,400,000	2,400,000	-	100%
7.19 Masewani Primary School	1,050,000			1,050,000	1,050,000	-	100%
7.20 Kathana Primary School	1,000,000			1,000,000	1,000,000	-	100%
7.21 Mukyuni Primary School	2,000,000			2,000,000	2,000,000	-	100%
7.22 Malatani Primary School	1,000,000			1,000,000	-	1,000,000	0%
7.23 Kinyungu Primary School	1,050,000			1,050,000	1,050,000	-	100%
7.24 Kyandu Primary School	1,500,000			1,500,000	-	1,500,000	0%
7.25 Syanthe SA							0%

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

Programme/Sub- programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference(e=c-d)	% of Utilisation(f=d/c)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
Primary School	2,156,676			2,156,676	-	2,156,676	%
7.26 Mikoikoni Primary school		826,425		826,425	826,425	~	100%
7.27 Mbusyani Primary School		431,430		431,430	~	431,430	0%
7.28 Masewani Primary School		2,400,000		2,400,000	2,400,000	~	100%
7.29 Kyelendu Primary School		2,400,000		2,400,000	2,400,000	~	100%
7.31 Matetani primary school			1,600,000	1,600,000	1,600,000	~	100%
7.32 Kanzokea H.G.M Primary School			1,200,000	1,200,000	1,200,000	~	100%
7.33 Kanzokea H.G.M Primary School			1,000,000	1,000,000	1,000,000	~	100%
7.34 Ngulini Primary School			1,600,000	1,600,000	1,600,000	~	100%
7.35 Kamwanyani Primary School			1,600,000	1,600,000	1,600,000	~	100%
7.36 Kakutha Primary School			1,600,000	1,600,000	1,600,000	~	100%

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
7.37 Mukunike AIC Primary School	Kshs		1,600,000	1,600,000	1,600,000	-	100%
7.38 Malatani Primary School			500,000	500,000	500,000	-	100%
7.39 Kithunthi S.A Primary School			1,000,000	1,000,000	1,000,000	-	100%
7.40 Kanzalu Hill Primary School			1,600,000	1,600,000	1,600,000	-	100%
7.41 Kitwii boys Primary School			1,600,000	1,600,000	1,600,000	-	100%
7.42 Kitwii boys Primary School			2,000,000	2,000,000	2,000,000	-	100%
7.43 Kitwii girls Primary School			1,600,000	1,600,000	1,600,000	-	100%
7.44 Unyuani Primary School			2,000,000	2,000,000	2,000,000	-	100%
7.45 Kivi DEB Primary School			3,600,000	3,600,000	3,600,000	-	100%
Total	51,056,676	6,057,855	24,100,000	81,214,531	70,101,425	11,113,106	86%
8.0 Secondary Schools Projects				-		-	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference(e=c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
8.1 Unyuni Secondary School	2,400,000			2,400,000	-	2,400,000	0%
8.2 Kawethei Girls Secondary School	1,950,000			1,950,000	-	1,950,000	0%
8.3 Matetani Secondary School	2,400,000			2,400,000	2,400,000	-	100%
8.4 Kathana Secondary School	2,400,000			2,400,000	2,400,000	-	100%
8.5 Matithini Secondary School	1,100,000			1,100,000	1,100,000	-	100%
8.6 Kangundo DEB Secondary School	2,400,000			2,400,000	-	2,400,000	0%
8.7 Mulingana Secondary School		1,000,000		1,000,000	1,000,000	-	100%
8.8 Mukyuni Secondary School		3,600,000		3,600,000	3,600,000	-	100%
8.9 Mukyuni Secondary School(2018/19)		128,970		128,970	-	128,970	0%
Total	12,650,000	4,728,970		17,378,970	10,500,000	6,878,970	60%

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

Programme/Sub-Programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference(e=c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
10.4 Kivi Assistant Chiefs Office	Kshs 300,000	Kshs	Kshs	Kshs 300,000	Kshs -	Kshs 300,000	% 0%
10.5 Security Previous Balances		537,931		537,931	~	537,931	0%
10.6 Kakuyuni Police Station			4,300,000	4,300,000	~	4,300,000	0%
10.7 Kitwii Chiefs Office			250,000	250,000	250,000	~	100%
10.8 Kawauri Assistant Chiefs Office(2020/21)			1,600,000	1,600,000	~	1,600,000	0%
10.9 Kivi Assistant Chiefs Office			1,400,000	1,400,000	~	1,400,000	0%
10.9 Kawauri Assistant Chiefs Office(2019/20)		200,000		200,000	200,000	~	100%
Total	4,500,000	737,931	7,550,000	12,787,931	3,450,000	9,337,931	27%
11.0 Acquisition of assets							
11.1 Motor Vehicles (including motorbikes)							

Kanungo Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference (e=c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
11.2 Construction of CDF office	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
11.3 Purchase of furniture and equipment		19,895		19,895	19,895	~	100%
11.4 Purchase of computers				~		~	
11.5 Purchase of land				~		~	
Total		19,895	~	19,895	19,895	~	
12.0 Others				~		~	
12.1 Strategic Plan		220		220		220	0%
12.2 Innovation Hub				~		~	
12.2 Mocks & CATS		950		950		950	0%
12.3 Health Balances		25,864		25,864		25,864	0%
12.4 Balances from Previous Years		1,398,425		1,398,425		1,398,425	0%

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget(c)	Actual on comparable basis(d)	Budget utilization difference(e=c-d)	% of Utilisation(f=d/c %)
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Kshs				
Total	-	-	1,425,458	-	1,425,458	-	1,425,458	0%
13.0 Unallocated fund								
Unapproved projects								
AIA			182,385		182,385		182,385	0%
PMC savings								
Total	0	0	182,385	-	182,385	-	182,385	0%
Grand Total	137,088,879	137,088,879	18,898,148	45,088,879	201,075,906	158,986,724	42,089,182	79%

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kangundo Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Significant Accounting Policies continued

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.

Significant Accounting Policies continued

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

Significant Accounting Policies continued

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 30th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash

Significant Accounting Policies continued

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.

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020 - 2021
		Kshs	Kshs
	B096865-2016-17		968,417
Normal Allocation	B104721-2019-20		20,000,000
	A 823530-2019-20		35,000,000
	B 104545-2019-20		9,367,724
	B124538-2020-21		9,000,000
	B104954-2019-20		5,000,000
	B124068-2020-21		10,000,000
	B119823-2020-21		13,000,000
	B128113-2020-21		6,900,000
	B128425-2020-21		6,000,000
	B132169-2020-21		6,000,000
	B138837-2020/21		12,000,000
	B126132-2020/21		7,100,000
	B126422-2020/21		10,000,000
	B140568-2020-21		12,000,000
	B140917- 2020/21	33,000,000	
	B 105453- 2021/22	44,000,000	
	B 105792- 2021/22	22,000,000	
	B128529- 2021/22	5,000,000	
	B154038- 2021/22	12,000,000	
	B128841- 2021/22	12,000,000	
	B164480- 2021/22	19,000,000	
	B155837- 2021/22	10,588,879	
	B155955- 2020/21	12,088,879	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		169,677,758	162,336,141

Notes to the Financial Statements (Continued)

2. Proceeds From Sale of Assets

Description	2021-2022	2020 - 2021
	Kshs	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	-	-

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts Sale of Tender Documents	-	5,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	5,000

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

Notes to the Financial Statements (Continued)

4. Compensation of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,529,480	2,024,120
Personal allowances paid as part of salary		
House allowance	369,300	275,400
Transport allowance	341,000	288,000
Leave allowance	50,800	57,090
Gratuity-contractual employees	-	1,572,905
Employer Contributions Compulsory national social security schemes	90,720	77,760
TOTAL	3,381,300	4,295,275

Notes to the Financial Statements (Continued)

5. Use of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	-	9,450
Electricity	60,000	0
Water & sewerage charges	30,033	43,800
Office rent	0	-
Communication, supplies and services	32,860	0
Domestic travel and subsistence	18,022	66,000
Printing, advertising and information supplies & services	290,000	243,600
Rentals of produced assets	-	-
Training expenses	899,600	949,000
Hospitality supplies and services	102,296	655,000
Other committee expenses	2,213,000	0
Committee allowance	2,206,600	3,127,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	479,079	500,000
Fuel , oil & lubricants	304,964	193,000
Other operating expenses	0	288,200
Bank service commission and charges	14,580	30,150
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	196,160	96,000
Routine maintenance- other assets	-	-
TOTAL	6,847,194	6,201,200

Kangundo Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2022****Notes to the Financial Statements (Continued)****6. Transfer to Other Government Units**

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	70,101,425	48,045,396
Transfers to Secondary Schools	10,500,000	30,416,530
Transfers to Tertiary Institutions	-	-
TOTAL	80,601,425	78,461,927

7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	29,980,000	29,594,807
Bursary -Tertiary (see attached list)	13,994,800	19,150,000
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	3,450,000	4,227,027
Sports Projects (see attached list)	5,484,215	2,747,354
Environment Projects (see attached list)	4,798,688	3,090,159
Emergency Projects (see attached list)	10,429,207	8,157,999
TOTAL	68,136,910	66,967,347

Notes to the Financial Statements (Continued)

8. Acquisition of Assets

Non-Financial Assets	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	19,895	-
Refurbishment of Buildings	-	1,286,101
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	-	-
TOTAL	19,895	1,286,101

9. Other Payments

9 Other Payments		
Strategic Plan	-	-
ICT Hubs	-	-
TOTAL	-	-

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

Notes to the Financial Statements (Continued)

10: Cash and Cash Equivalents

Name of Bank	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
10A: CASH IN BANK			
<i>Equity Bank, Tala Branch Kangundo NG-CDF</i>	<i>A/C no.0900297884246</i>	29,589,182	18,898,148
		-	-
		-	-
TOTAL		29,589,182	18,898,148
10B: CASH IN HAND			
		2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Location 1		-	-
TOTAL		-	-

11: Outstanding Imprests

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2022)
	Date imprest taken	Kshs	Kshs	Kshs
		-	-	-
		-	-	-
		-	-	-
TOTAL		-	-	-

Notes to the Financial Statements (Continued)

12A. Retention

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

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	18,898,148	13,768,856
Cash in hand	-	-
Imprest	-	-
TOTAL	18,898,148	13,768,856

The bank account balance was for the closing balance for the year 2020-2021.

Notes to the Financial Statements (Continued)

14. Prior Year Adjustments

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

There were no adjustments in the prior years

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 A-D	-	-

Notes to the Financial Statements (Continued)

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	-	-

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020- 2021
	Kshs	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	2020- 2021
	Kshs	Kshs
NGCDF Staff	1,652,011	1,036,569
Others (specify)	-	-
	1,652,011	1,036,569

Notes to the Financial Statements (Continued)

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	2,854,964	2,113,609
Use of goods and services	6,536,796	4,647,329
Amounts due to other Government entities (see attached list)	17,994,345	34,889,094
Amounts due to other grants and other transfers (see attached list)	13,096,184	20,623,096
Acquisition of assets	~	~
Others (<i>specify</i>)	1,424,508	1,656,004
Funds pending approval	182,385	38,000
	42,089,182	63,967,132

17.4: PMC account balances (See Annex 5)

	2021-2022	2020- 2021
	Kshs	Kshs
PMC account balances (see attached list)	29,800,192	18,043,349

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
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XIII. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance	Outstanding Balance	Comments
				2022 d=a-c	2021	
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.						
11.						
12.						
Sub-Total						
Grand Total						

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. Damaris Maluki	Admin Assistant	1st December, 2018	408,292	
2. John Mutinda	Driver	1st December, 2018	339,890	
3. Matthew Mutinda	Security Man	1st December, 2018	287,714	
4. Ann Mumbua	Office Custodian	1st December, 2018	287,714	
5. Isaac Mwendia	Former Accounts Assistant	1st February 2021	153,617	
6. Emmanuel Mutua	Clerk of Works	1st February 2021	174,784	
Sub-Total				
Grand Total			1,652,011	

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
Compensation of employees	Payment of Staff salaries	2,854,964	2,113,609	
Use of goods & services	Purchase of goods, fuel, repairs and maintenance, printing services	6,536,796	4,680,329	
Amounts due to other Government entities				
Mikoikoni Primary School(2018-2019)	Purchase of 1ha Land	-	826,425	
Misyani Purchase of Land	Purchase of land	431,430	431,430	
Kwamwilile Primary School	Purchase of land	-	200,000	
Matetani primary school	Renovation of 4 classrooms to completion	-	1,600,000	
Kanzokea H.G.M primary school	Renovation of 3 classroom to completion	-	1,200,000	
Kanzokea H.G.M primary school	Construction of a kitchen to completion	-	1,000,000	
Masewani primary school	Construction of 2 classrooms to completion	-	2,400,000	
Ngulini primary school	Renovation of 4 classroom to completion	-	1,600,000	
Kamwanyani primary School	Renovation of 4 classroom to completion	-	1,600,000	
Kakutha primary school	Renovation of 4 classroom to completion	-	1,600,000	

Kangundo Constituency
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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
Mukunike AIC Primary School	Renovation of 4 classroom to completion	-	1,600,000	
Malatani primary school	Purchase of 0.5ha of land for school expansion	-	500,000	
Kithunthi S.A primary school	Purchase of 0.75ha land for school expansion	-	1,000,000	
Kyelendu primary school	Construction of 2 classroom to completion	-	2,400,000	
Kanzalu Hill primary school	Renovation of 4 classroom to completion	-	1,600,000	
Kitwii boys primary school	Renovation of 4 classroom to completion	-	1,600,000	
Kitwii boys primary school	Drilling and equipping of a borehole for provision of water in the school	-	2,000,000	
Kitwii girls primary school	Renovation of 4 classroom to completion	-	1,600,000	
Unyuani primary school	Drilling and equipping of a borehole for provision of water in the school	-	2,000,000	
Kivi DEB primary school	Construction of 3 classrooms	-	3,600,000	
Mukuyuni Secondary School (2016-2017)	Construction of 8 door pit latrine	128,970	128,970	
Mulingana sec school	Purchase of land 0.5 ha	-	1,000,000	
Mukuyuni S.A secondary school	Construction of 3 classrooms	-	3,600,000	
Secondary votes balance	Balances brought forward	2,269	2,269	
Matungulu AIC Primary School	Renovation of 2 classrooms		-	

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
		1,100,000		
Kyaaka Primary School	Renovation of 3 classroom to completion	1,650,000	~	
Kawethei HGM Primary School	Renovation of 3 classroom to completion	1,650,000	~	
Kawauni Primary School	Renovation of 3 classroom to completion	1,625,000	~	
Malatani Primary School	Purchase of 1.5ha piece of land	1,000,000	~	
Kyaandu Primary School	Purchase of land	1,500,000	~	
Syanthi SA Primary School	Renovation of 2 classrooms to completion	2,156,676	~	
Kawethei Girls Secondary School	Construction of administration block	1,950,000	~	
Kangundo DEB Secondary School	Construction of 2 classrooms	2,400,000	~	
Unyuani Secondary School	Construction of 2 classrooms	2,400,000	~	
Sub-Total		17,994,345	34,889,094	
Amounts due to other grants and other transfers				
Environment				
Kangundo Police Station Chapel	Purchase and installation of water tank	342,722	~	
Matetani Secondary School	Purchase and installation of water tank	~	342,805	
Muisuni Secondary School	Purchase and installation of water tank	~	342,805	

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
Mukuyuni S.A Secondary School	Purchase and installation of water tank	-	342,805	
MIU ABC Kiamba Secondary School	Purchase and installation of water tank	-	342,805	
Katheini Secondary School	Purchase and installation of water tank	-	342,805	
Kwakathule Secondary School	Purchase and installation of water tank	-	342,805	
Kangundo Police Station	Purchase and installation of water tank	-	342,805	
Security Projects				
Kakuyuni Police Station	Construction of staff houses	4,300,000	4,300,000	
Kitwii Chiefs Office	Purchase of office furniture	-	250,000	
Kawauni Assistant Chiefs Office(2019-20)	Purchase	-	200,000	
Kawauni Assistant Chiefs Office(2020-21)	Construction of office to completion	1,600,000	1,600,000	
Kivi Assistant Chiefs Office(2020-21)	Construction of office to completion	1,400,000	1,400,000	
Security (previous balance)	Balances from previous years	537,931	537,836	
Kawauni Assistant Chiefs office	Construction of 2 –door pit latrine	300,000	-	
Kivi Assistant Chiefs Office	Construction of 2 –door pit latrine	300,000	-	
Ngumuti Assistant Chiefs Office	Completion of assistant chiefs office started by community	900,000	-	
Emergency	To cater for unforeseen occurrences in the constituency	2,695,449	5,932,449	

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
Bursary Secondary Schools	Payment of bursary to needy students	706,894	1,252,752	
Bursary Tertiary Schools	Payment of bursary to needy students	8,611	3,411	
Mocks and CAT	Secondary schools Mocks	950	950	
Sports	Organizing constituency sports	3,627	2,746,065	
Sub-Total		13,096,184	20,623,096	
Acquisition of assets				
Kangundo NG-CDF Office	Construction of office	-	19,895	
Others (specify)				
Strategic Plan	Balance brought forward	220	220	
Health	Balance brought forward	25,864	25,864	
Sale of Tender Documents(AIA)	Sale of tenders	182,385	38,000	
Balances from previous years	Balances brought forward	1,398,425	1,629,920	
Sub-Total		1,606,894	1,694,004	
Grand Total		42,089,182	63,987,027	

Kangundo Constituency
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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f 2020/2021 (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost 2021/2022 (Kshs)
Land				
Buildings and structures	15,780,592	0	0	15,780,592
Transport equipment	3,213,500	0	0	3,213,500
Office equipment, furniture and fittings	1,713,852	0	0	1,713,852
ICT Equipment, Software and Other ICT Assets	1,364,057	0	0	1,364,057
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	22,072,001	-	-	22,072,001

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

PMC	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
Kathihyamaa Primary School	Equity	0900277303692	11,347	11,347
Kavilinguni Primary School	Equity	0900277303973	2,067,995	7,115
Kithunthi Primary School	Equity	0900297580630	111,574	21,754
Kyevaluki Primary School	Equity	0900268233642	201,181	201,181
Kiomo Primary School	Equity	0900277310632	418,331	11,173
Kathome Primary School	Equity	0900277310670	210,887	11,668
Kawethei SA Primary School	Equity	0900295300875	54,272	54,272
Kawethei HGM Primary School	Equity	0900299359843	638	638
Kyelendu Primary School	Equity	0900294420309	6,861	2,945
IIA Itune Primary School	Equity	0900277303997	283,900	68,840
Kikambuani Primary School	Equity	0900297697149	36,945	45,185
Mukuyuuni Primary School	Equity	0900277304009	2,031,895	31,895
Kitwii Boys Primary School	Equity	0900299279199	128,470	1,406
Syanthi S.A Primary School	Equity	0900272853889	32,100	32,100
Kwamwilile Primary School	Equity	0900266698147	236,007	3,810,935
Mususye Primary School	Equity	0900267232186	664,802	31,685
Kivuluni Primary School	Equity	0900263653648	2,315	2,315
Miu ABC Primary School	Equity	0900277310601	112,186	1,490
Karnutonga DEB Primary School	Equity	0900269921856	44,015	2,388,755
Kangundo AIC Primary School	Equity	0900277310478	18,109	1,575,640
Matetani A.I.C Primary School	Equity	0900263537552	6,317	30,395
Mbusyani Primary School	Equity	0900269800105	243,730	243,730
Kamaranzi SA Primary School	Equity	0900273283926	342,371	61,614

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PMC	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
Mbilini Primary School	Equity	0900277503809	1,610	1,610
Ngulini A.I.C primary School	Equity	0900262211462	91,365	52,822
Kitvii Girls Primary School	Equity	0900299286970	4,979	51,170
Kikondeni Primary School	Equity	0900263717079	1,598,425	2,425
Kawauni Primary School	Equity	0900294342635	1,487	1,487
Kambai Primary school	Equity	0900294450124	2,040	1,013,645
Kinyungu Primary School	Equity	0900297182276	64,400	324,344
Manyatta Primary school	Equity	0900269806773	118,864	597,327
Malatani Primary school	Equity	0900294436546	478,990	135
Kilindioni Primary School	Equity	0900272807246	1,608,171	2,171
Kakutha Primary School	Equity	0900272807364	96,857	1,079
Mukunike A.I.C Primary School	Equity	0900266653710	82,947	32,861
Kivi DEB Primary School	Equity	0900272853918	1,261,281	77,398
Kanzalu Hill Primary School	Equity	0900272853550	94,809	64,269
Kithini D.E.B Primary school	Equity	0900262741677	15,637	2,356,229
ABC Katatha Maweu Primary School	Equity	0900268364134	47,043	47,043
Kwamwenze Primary School	Equity	0900272806414	196,210	3,596

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PMC	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
Kanzokea H.G.M Primary School	Equity	0900279002200	70,435	3,695
Kangundo DEB Primary School	Equity	0900279025860	32,103	32,103
Mikoikoni primary School	Equity	0900272853615	17,305	196,202
Kwambalu Primary School	Equity	09002622296794	152,704	26,087
Kyai Primary School	Equity	0900268836538	16,686	1,575,527
Mbondoni Primary School	Equity	0900265704791	247,727	44,559
Kivani Township Primary	Equity	0900263766583	6,761	12,308
Matungulu A.I.C Primary School	Equity	0900297633783	5,198	5,198
St. Francis Misyani Primary School	Equity	0900277247615	22,960	22,960
Kamwanyani Primary school	Equity	0900295047598	26,620	4,351
Kithuiani Primary School	Equity	0900264186783	762,404	2,804
Masewani primary school	Equity	0900278660925	1,162,548	3,249
Kwandeto primary school	Equity	0900268487038	10,127	257,176

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PMC	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
Ituusyva Primary School	Equity	0900279685897	21,319	216,985
Unyuani Primary school	Equity	0900271573839	2,245,355	8
Kwandi Primary School	Equity	0900279332663	1,506,605	128,973
Ngomani Primary School	Equity	0900279368673	140,894	611,736
Kilalani Primary School	Equity	0900279853182	60,257	2,176
Kathiini S.A Primary School	Equity	0900279881572	5,539	97,060
Kyaka Primary School	Equity	0900294868632	2,122	2,122
Kathaana DEB Primary School	Equity	0900279890852	986,085	52,894
Mulingana Primary School	Equity	0900295784425	3,106	70,418
Matithini Primary School	Equity	0900279897573	146,011	143,011
Kitongi Primary School	Equity	0900263477812	411,361	3,559,563
Syanamu Primary School	Equity	0900267991888	6,086	976,696
Kwakathule Primary School	Equity	0900279887897	984,524	215,467
Mukuyuni S.A Secondary school	Equity	0900278735862	179,492	209,667
ABC Kathithyamaa Secondary School	Equity	0900279092412	339,235	1,658
A.I.C Kikambuani Secondary School	Equity	0900264222069	437,806	99,204
AIC Matithini mixed Secondary School	Equity	0900269556072	1,096,529	42,299
Kawauni Secondary School	Equity	0900279643714	42,503	293,668
St. Michael Unyuani Secondary School	Equity	0900263451533	15,485	38,784

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	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
PMC				
Kangundo high School	Equity	0900297440167	1,510	1,510
DEB Kangundo Secondary School	Equity	0900269537176	1,323,855	2,354,924
Kakuyuni Secondary School	Equity	0900262548677	63,586	243,018
Kakuyuni Assistant County Commissioner	Equity	0900279678883	926	926
Kanzalu Chiefs Office	Equity	0900265036098	676	676
Mulingana Chiefs office	Equity	0900265508581	5,612	5,612
Kyevaluki chiefs office	Equity	0900273013281	18	18
Kangundo CDF Office	Equity	0900276382620	3,886	3,886
Kangundo CDF Sports	Equity	0900276382771	6,889	554
KMTC	Equity	0900262705557	68,777	68,777
Maiuni Chiefs Office	Equity	0900269932079	1,791	2,691
Kangundo Chiefs office	Equity	0900278861035	170,525	1,326
Miu Assistant Chiefs Office	Equity	0900278729624	94,775	103,288
Ndunduni Administration Police post	Equity	0900263498516	39	(45)
Kitwii chiefs office	Equity	0900276382821	93,565	92,985
Kakuyuni Police Station	Equity	0900263355985	931	931
Kangundo DCC Residence	Equity	0900277555738	2,473	354,134
Kavilinguni Assistant Chiefs office	Equity	0900264721592	9,592	59,124
The S.A Imlini secondary School	Equity	0900264476819	38,946	3,703,151
Kangundo Emergency cdf	Equity	0900280449299	845	496,860
St.Francis Misyani Girls High School	Equity	0900280274750	646	646
Matetani Assistant chiefs office	Equity	0900280151040	2,853	11,371
Kathaana Chiefs office	Equity	0900280151931	2,948	1,450

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PMC	Bank	Account No.	Bank Balance 2021/2022	Bank Balance 2020/2021
A.I.C Matetani Mixed Secondary School	Equity	0900262545645	146,489	0
Ngumuti Assistant Chiefs office	Equity	0900282494807	0	0
Kivi Assistant chief office	Equity	0900265135567	0	0
Kawauni Assistant chiefs office	Equity	0900280304178	147,860	0
Kakuyuni Primary School	Equity	0900279979388	162	0
Kikalu Primary School	Equity	0900282494971	2,355,000	0
Kavilinguni High School	Equity	0900294471409	983,000	0
Kawethei Secondary School	Equity	0900264167171	7,107	0
Kathanaa DEB Secondary School	Equity	0900262863946	7,107	0
Manyatta Secondary School	KCB	1109688040	0	0
St Martins Kitwii Secondary School	KCB	1109561156	39,292	3,702,875
Kyevaluki Secondary School	KCB	1109688148	21,621	3,702,875
Kikalu Primary School	KCB	1109687206	1,637	0
Total			29,800,192	18,043,349

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NGCDF/KANGUNDO/2020/2021 (1)	As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs 18,898,148. Review of the bank reconciliation statement for the month of June, 2021 revealed unpresented cheques amounting to Kshs 5,253,002 which included stale cheques totalling Kshs.51,270 that had not been written back in the cash book. In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs 18,898,148 could not be confirmed.	We will work on reversing cheques within the financial year as they fall stale.	Resolved	
NGCDF/KANGUNDO/2020/2021 (2)	The statement of receipts and payments reflects compensation of employees amount of Kshs. 2,745,926. A review of compensation of employees	Please note that this was an issue that was inherited from former administrations	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NGCDF/KANGUNDO/2020/2021(3)	<p>records revealed that the Fund failed to remit Pay As You Earn (P.A.Y.E) deductions for the months of March and April, 2020 to Kenya Revenue Authority within the stipulated timelines. As a result, penalties and interest amounting to Kshs. 694,372 were levied on the Fund bringing the total outstanding P.A.Y.E to Kshs. 1,028,103 as at 30 June, 2020. No explanation was provided for the anomaly. Failure to remit PAYE within the stipulated timelines is a contravention of the provisions Income Tax Act Cap. 470.</p>	<p>who had not been remitting PAYE. We have since tried to solve the issue by paying the principal and requested KRA for a waiver of the interest and penalty. The late payment of KRA dues in March and April was an oversight on our part and we have since assigned the duty to a staff in the office to avoid a repeat of the same.</p>	Resolved	
	<p>Note 17.2 to the financial statements reflects pending staff payables balance of Kshs. 1,036,569 which has remained unchanged from the previous years' balance while some of the balances have remained due since December, 2017. Management did not explain the</p>	<p>Please note that pending staff payables were for gratuities of former NGCDF Staffs. However, we have paid the amounts currently.</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	failure to settle the long outstanding staff obligations and the measures being taken to address the same. In the circumstances, the validity of the pending staff payables balance of Kshs. 1,036,569 could not be confirmed			

.....
WESLEY KIBET NG'ENO
 Name
 Fund Account Manager.

