

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

DATE ON 08 AUG 2023

DAY TUESDAY

TABLED BY:

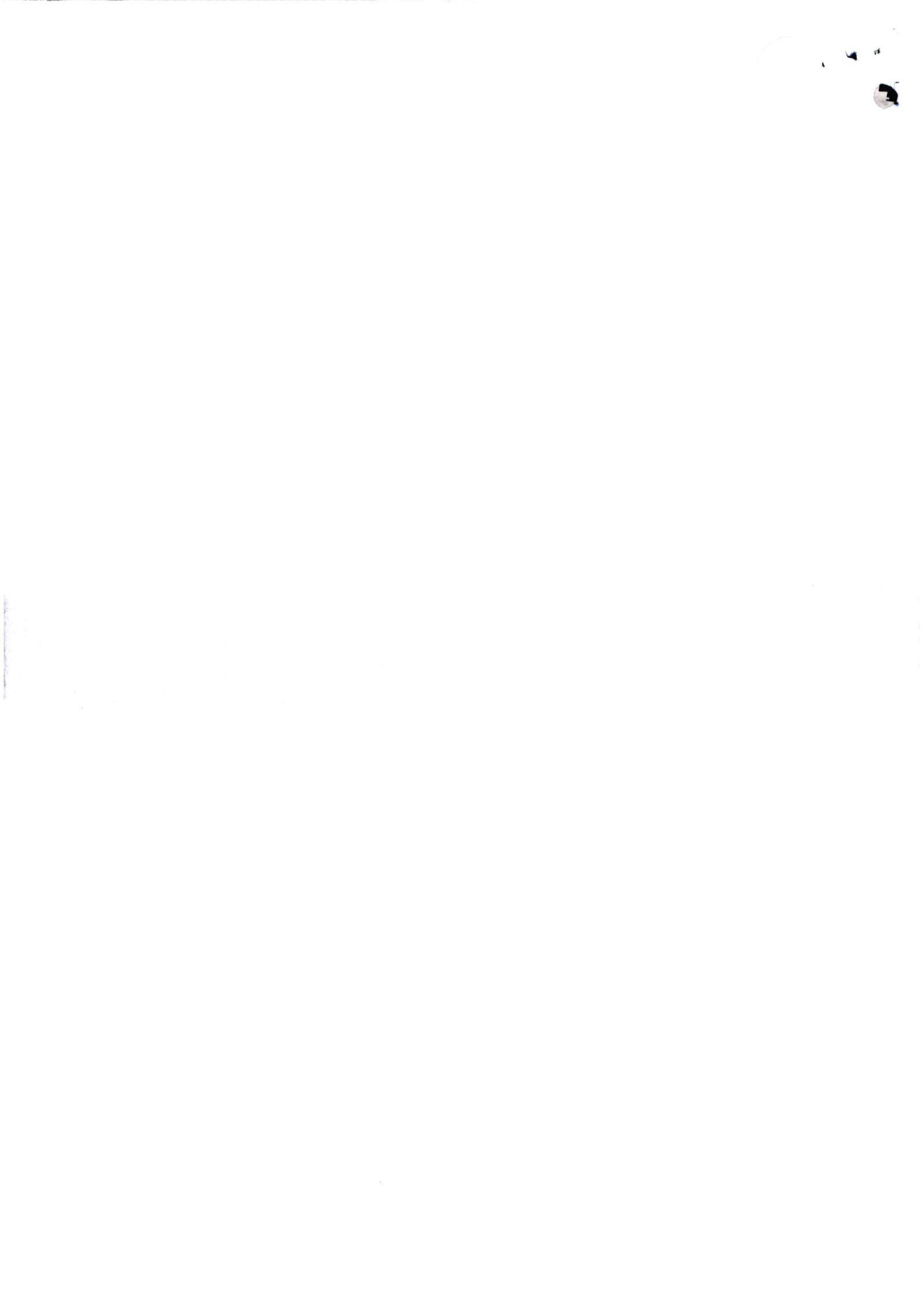
*Hon. Owen Baya MP
Deputy leader, majority*

CLERK-AT THE TABLE:

Anne Shubako

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

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



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



KWANZA 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)

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

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*Kwanza Constituency
National Government Constituencies Development Fund (NGCDF)
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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;

Kwanza Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NGCDFB)

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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 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Joseph K.N Rotich
2.	Sub-County Accountant	Jurmin Mukapi
3.	Chairman NGCDFC	Nancy Imali

(d) Fiduciary Oversight Arrangements

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

P.O. Box 2015
Kwanza NG CDF Building
Kwanza Centre
Kitale, KENYA

(f) Kwanza Constituency NGCDF Contacts

Telephone: (254) 0722 864244
E-mail: kwanza@cdf.go.ke
Website: www.kwanzacdf.go.ke

(g) Kwanza Constituency NGCDF Bankers

Co-operative Bank of Kenya
Kitale Branch
P.o Box 1050-30200
Kitale, Kenya.

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



**Mrs Nancy Imali
NG CDF Chairperson
Kwanza Constituency**

The Kwanza NG CDF in the financial year 2021/2022 was allocated Kshs. 137,088,879. During the financial year 100% of the allocation was disbursed to the constituency. Therefore, the constituency received a total amount of Kshs 137,088,879.

The constituency receipt a total of Kshs 171,277,758 representing 87% of the final budget. This is inclusive of Kshs 137,088,879 which was disbursed in the financial year 2021/2022 and Kshs 34,188,879 relating to financial year 2020/2021 but disbursed in the financial year 2021/2022.

The constituency opening balance at the beginning of the year was Kshs 25,627,843 and it further receipt a total of Kshs 34,188,879 owed to the constituency from the board at the close of the financial year 2020/2021.

The constituency percentage of utilization in the financial year is as follows:

- i) Compensation of employees 72%
- ii) Use of goods and services 102%
- iii) Transfer to other government units 100%
- iv) Other grants and transfers 99%

The constituency utilized 99% of its final budget in the financial year.

The NG-CDFC was able to timely transfer the disbursed funds to project management committees. The NG-CDFC has also been able to carry out monitoring and evaluation to over 90% of the funded projects.

Kwanza NG-CDF key Achievements

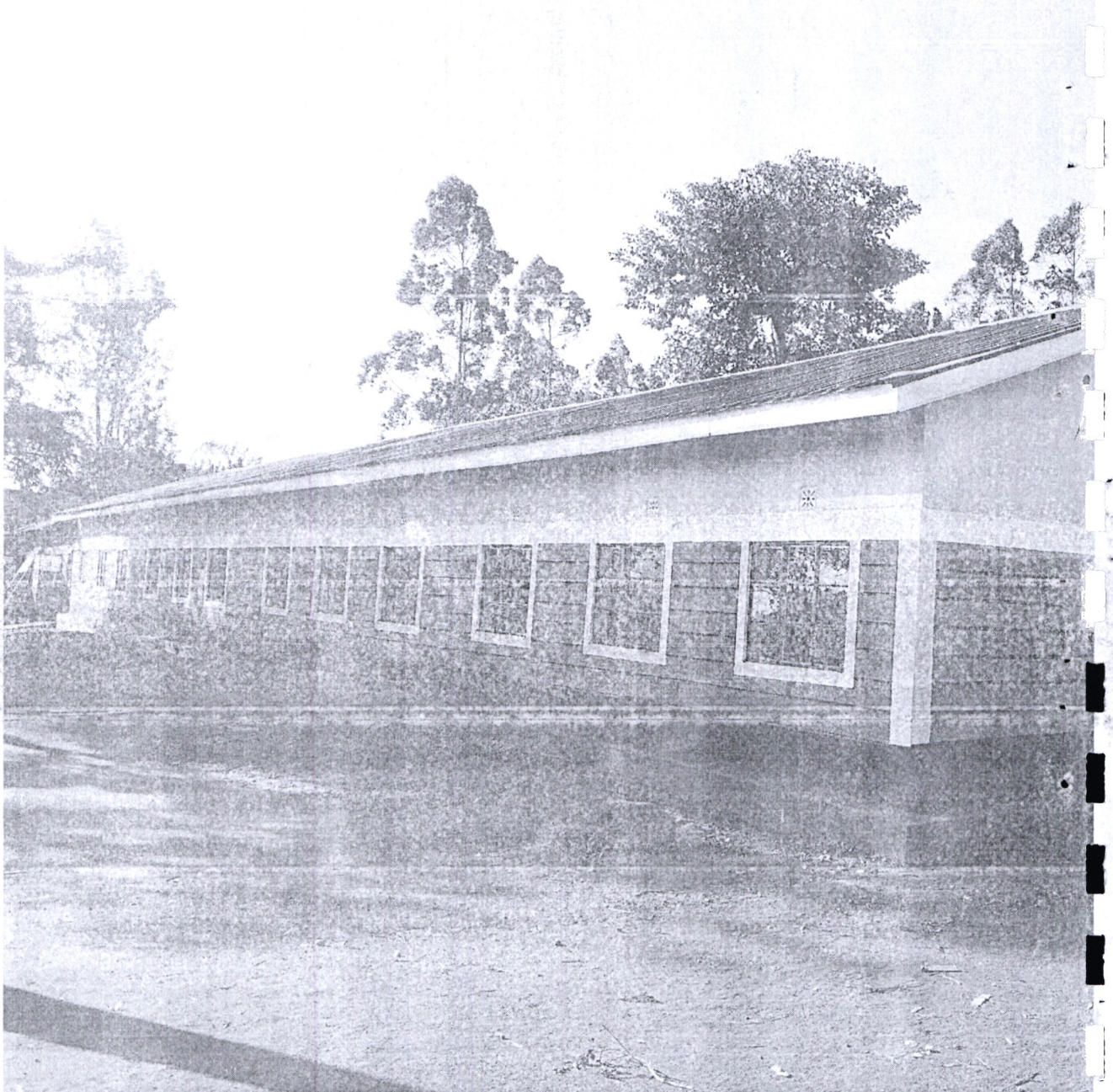
1. Access of education by poor and needy students through bursary
2. Improvement of learning facilities
3. Increased enrolment in schools and improved performance through creation of conducive learning environment
4. Community empowerment through community employment in full and labour-based contracts

Implementation challenges and way forward

1. Insufficient funds to cater for the community demands. NG-CDF funds should be increased.
2. Inadequacy of qualified NG-CDF staff. The NG-CDFC Board should employ and deploy more staff to constituencies to assist the fund account manager in project implementation and reports preparation.
3. Inadequate NG-CDF facilitation. Sitting allowances for committees to be revised to improve motivation.
4. Covid 19 Pandemic has lead to slow project implementation. Adherence to government precautionary measures.

KWANZA NG CDF PROJECTS

A. PRIMARY SCHOOLS



MARIDADI PRIMARY SCHOOL, RENOVATION OF FOUR CLASSROOMS - COMPLETE



NDALALA PRIMARY SCHOOL, CONSTRUCTION OF TWO CLASSROOM-COMLETE



WATER SUPPLY PRIMARY, CONSTRUCTION OF TWO CLASSROOMS-COMLETE



MAKHONGE PRI.SCHOOL, RENOVATION OF FOUR CLASSROOMS-COMPLETE



**AINASIT PRIMARY SCHOOL, RENOVATION OF TWO CLASSROOM-
COMPLETE**

B. SECONDARY SCHOOLS



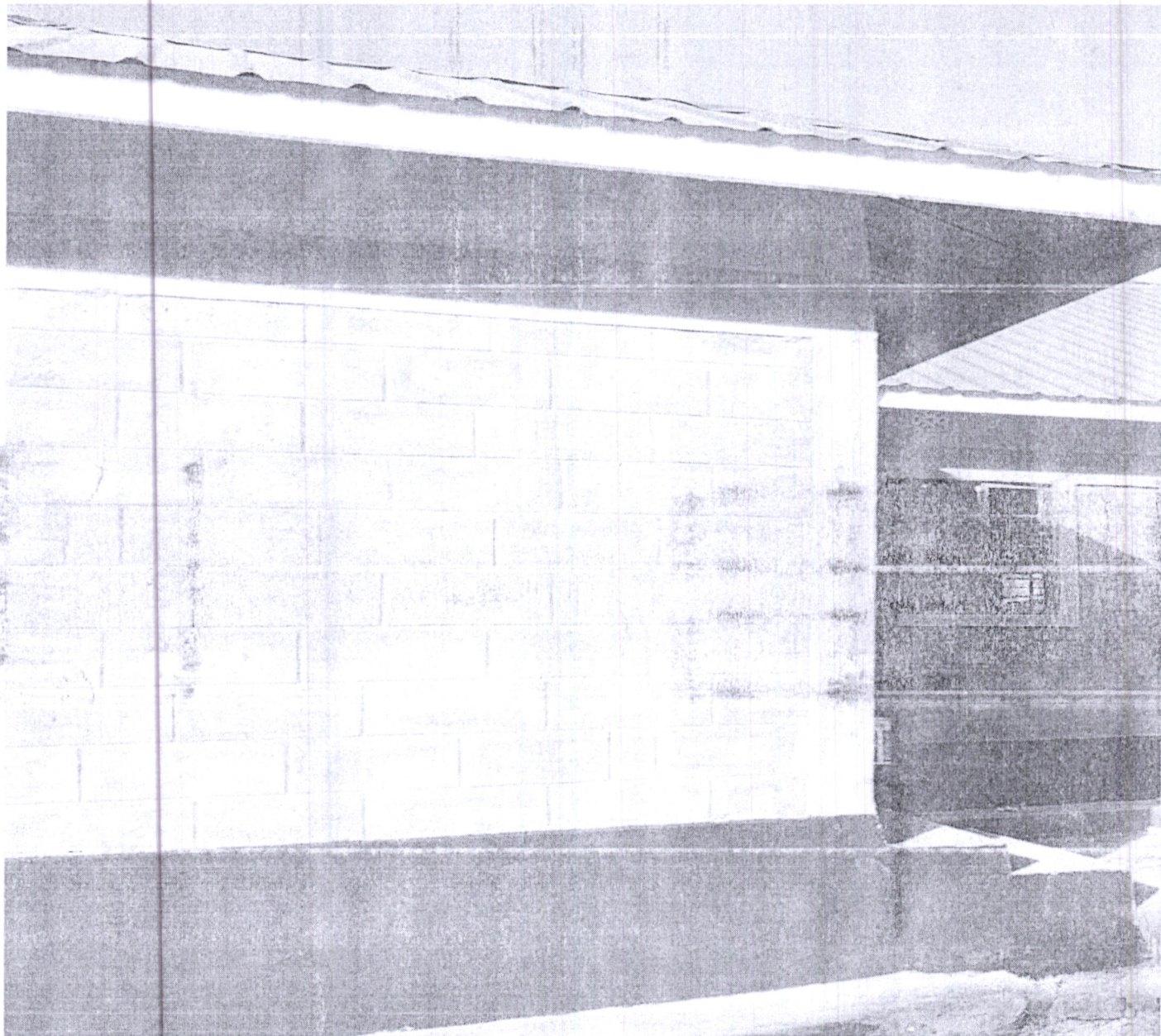
MISANGA S.A SEC.SCHOOL, CONSTRUCTION OF A STOREY TUITION BLOCK OF EIGHT CLASSROOMS-COMPLETE.



ST. CECILIA SECONDARY SCHOOL – PURCHASE OF 51 SETTER SCHOOL BUS-COMLETE.



NAMANJALALA SECONDARY SCHOOL, CONSTRUCTION OF A TWIN LABORATORY- COMPLETE.

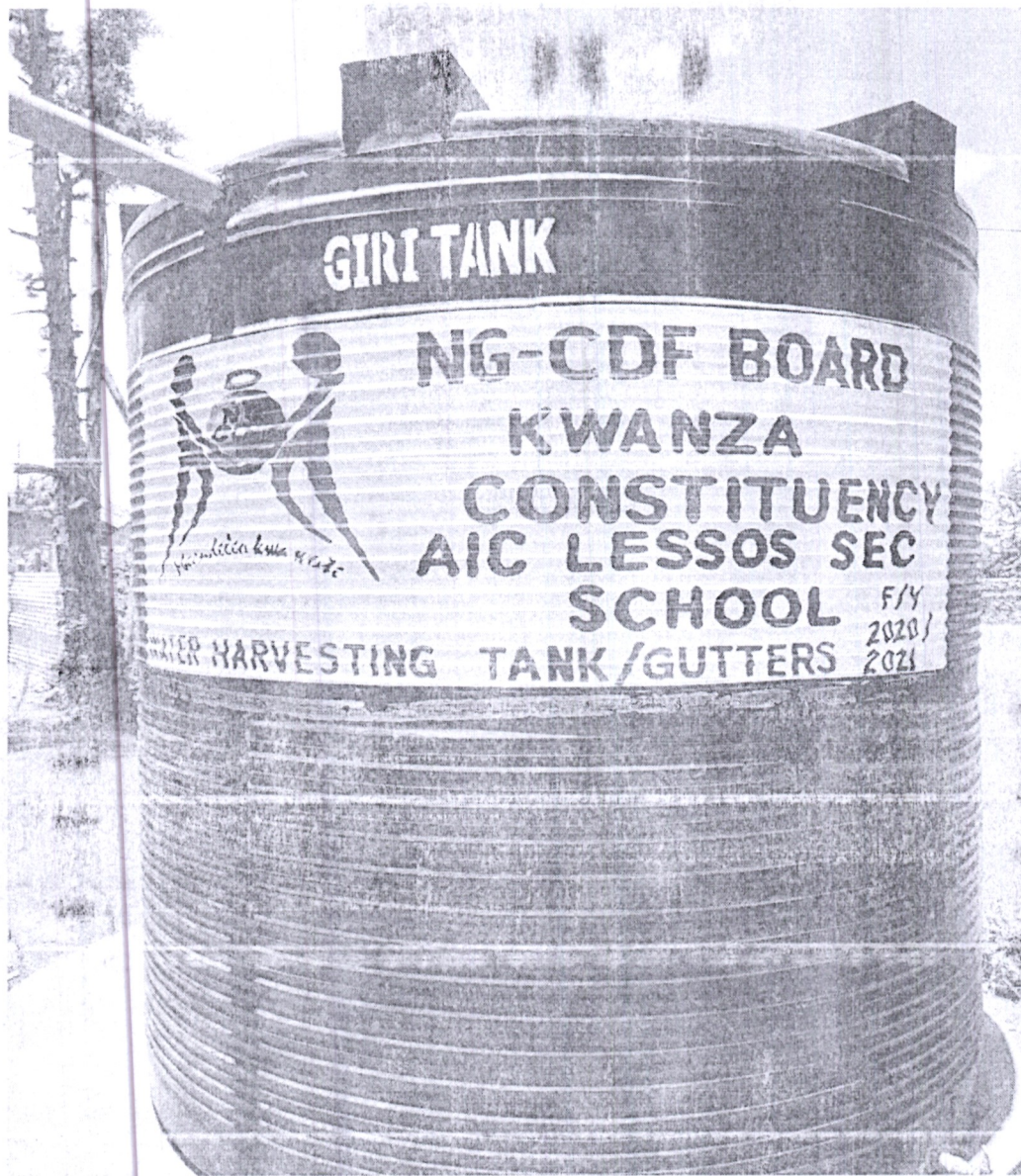


**KWANZA GIRLS SECONDARY SCHOOL- CONSTRUCTION
OF A DINING HALL-COMLETE**

C. SECURITY PROJECTS



BIDII DIVISIONAL HEADQUATERS, CONSTRUCTION OF ACC'S OFFICES-ONGOING

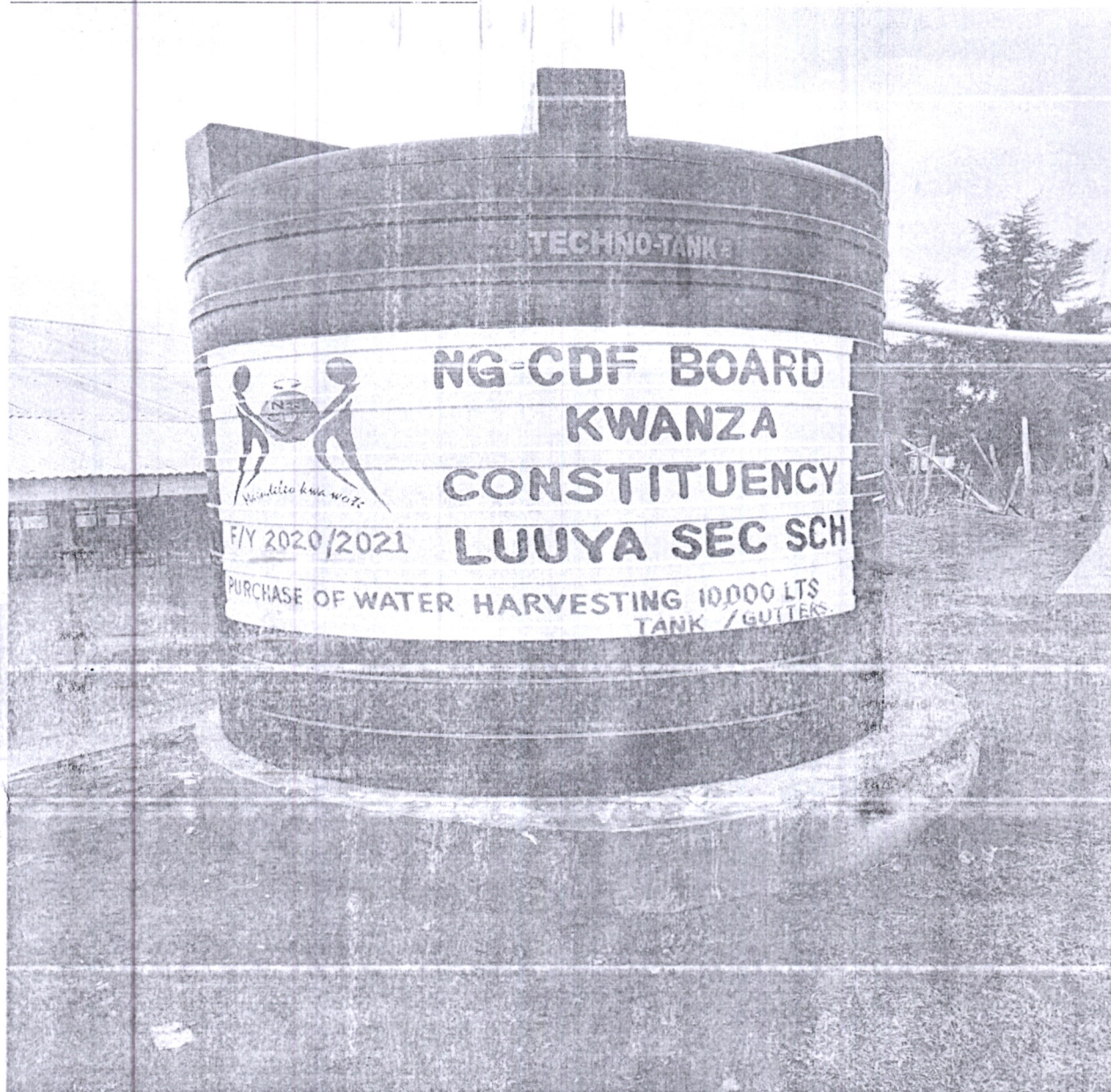


AIC LESSOS SECONDARY SCHOOL
PURCHASE AND INSTALLATION OF 10,000 LTRS WATER
TANK AND GUTTERS



KAISAGAT PRIMARY SCHOOL-PURCHASE AND INSTALLATION OF 10,000 LTRS WATER TANK AND GUTTERS

D. ENVIRONMENT PROJECTS



LUUYA SECONDARY-
PURCHASE AND INSTALLATION OF 10,000 LTRS WATER
TANK AND GUTTERS-COMplete



ST ANNES UMOJA GIRLS SECONDARY-
PURCHASE AND INSTALLATION OF WATER TANK AND
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E. SPORTS



**UMOJA VALLEY TEAM-ISSUING OF;- 11 NO.
UNIFORMS,2NO.BALLS,3NO.NETS,1NO,FIRST AID KIT & 1NO.WHISTLE.**



TALENT FOOTBALL CLUB-ISSUING OF;- 15 NO.UNIFORMS,2 NO.BALLS,2 NO.GOAL POST NETS,1 NO. FIRST AID KIT &1 NO. WHISTLE.



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Telephone: (254) 0722 864244
E-mail: kwanza@cdf.go.ke
Website: www.kwanzacdf.go.ke

(g) Kwanza Constituency NGCDF Bankers

Co-operative Bank of Kenya

Kitale Branch

P.o Box 1050-30200

Kitale, Kenya.

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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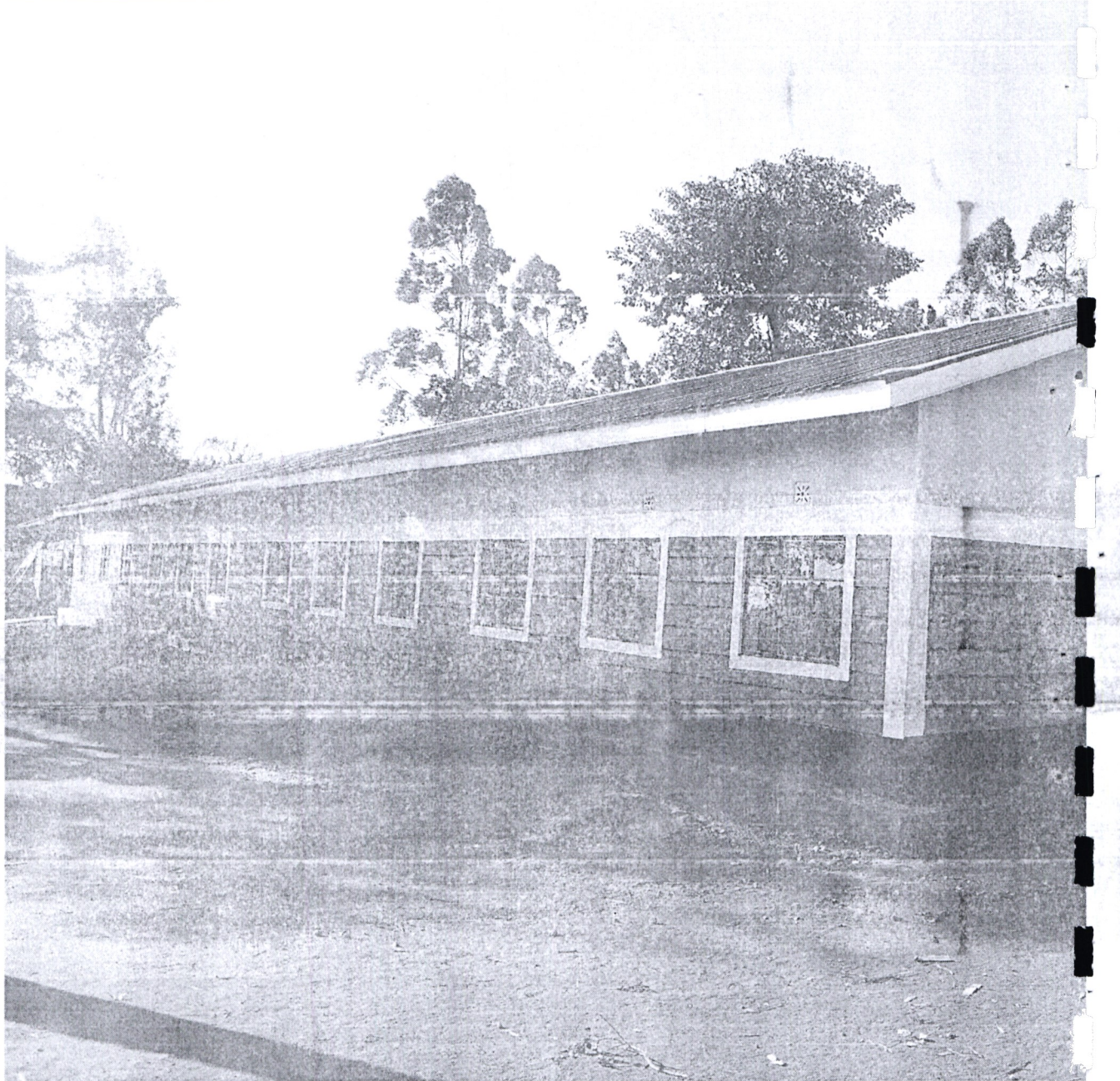
1. Access of education by poor and needy students through bursary
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Implementation challenges and way forward

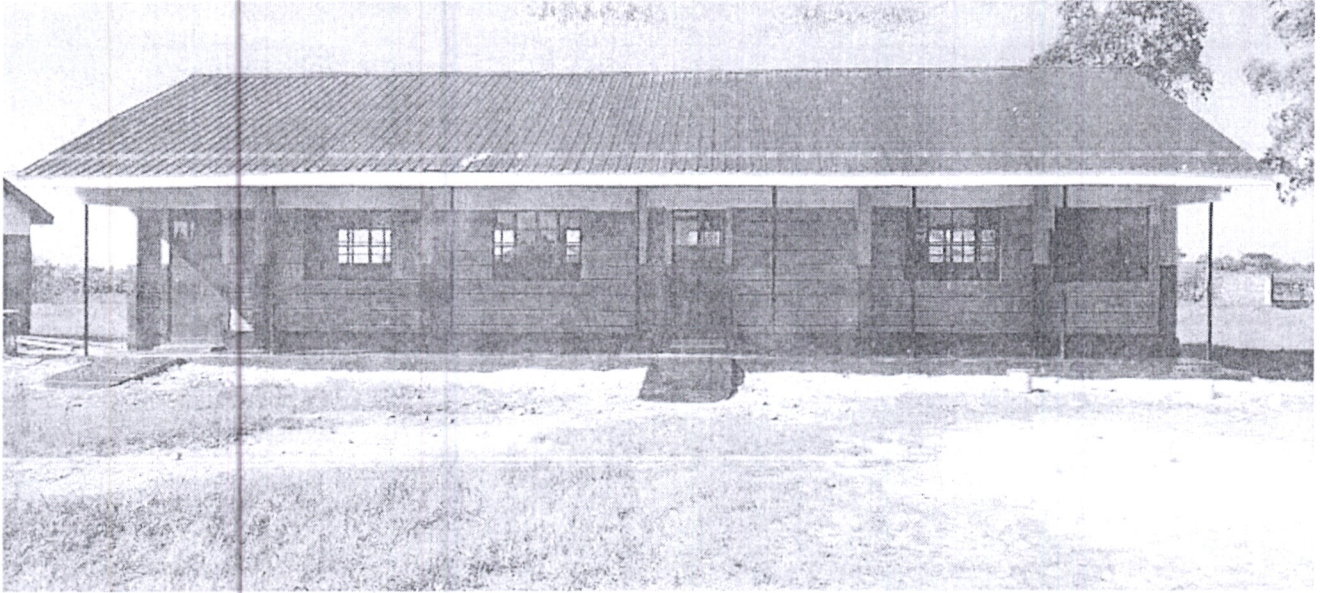
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KWANZA NG CDF PROJECTS

A. PRIMARY SCHOOLS



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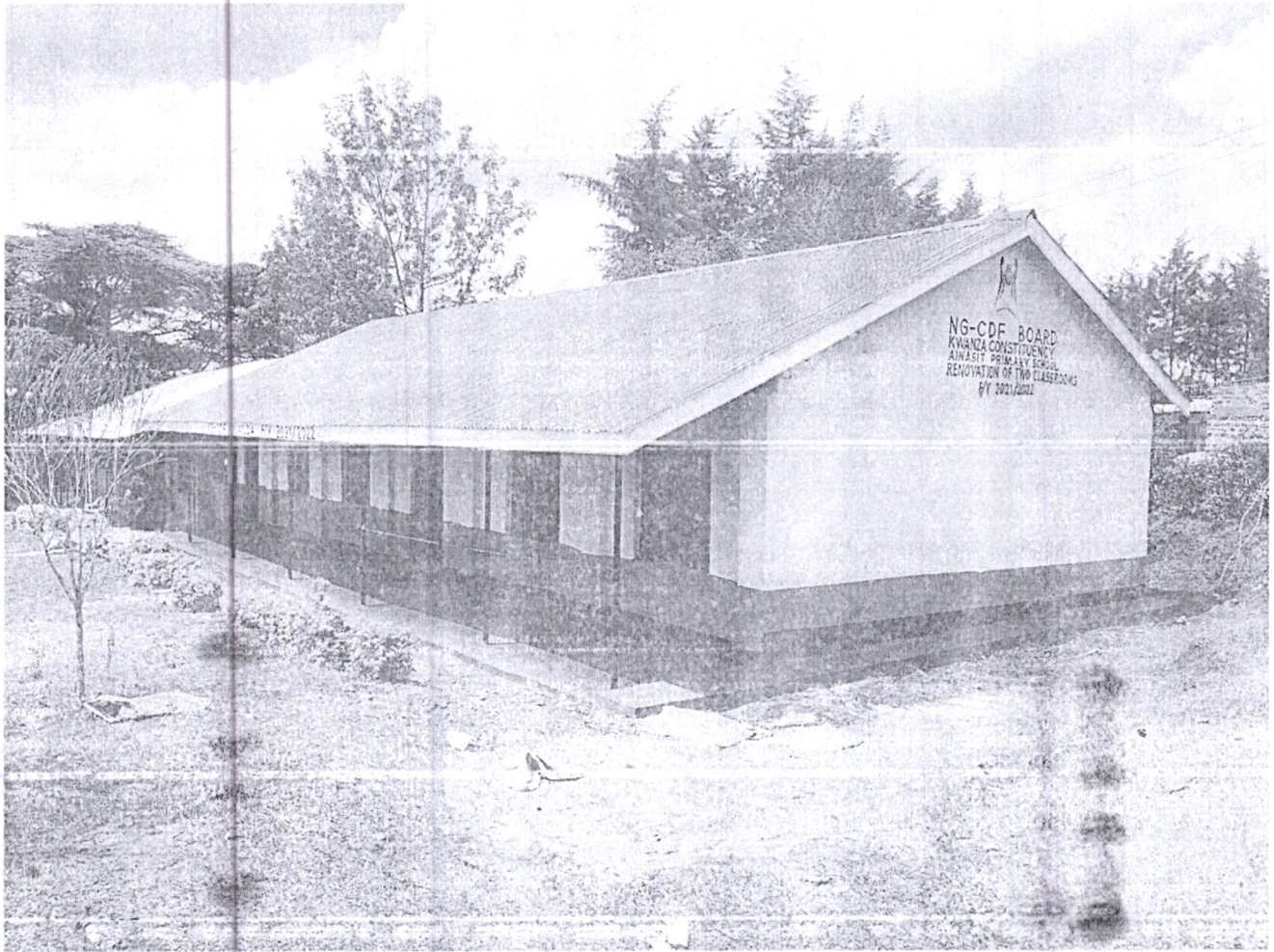
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B. SECONDARY SCHOOLS



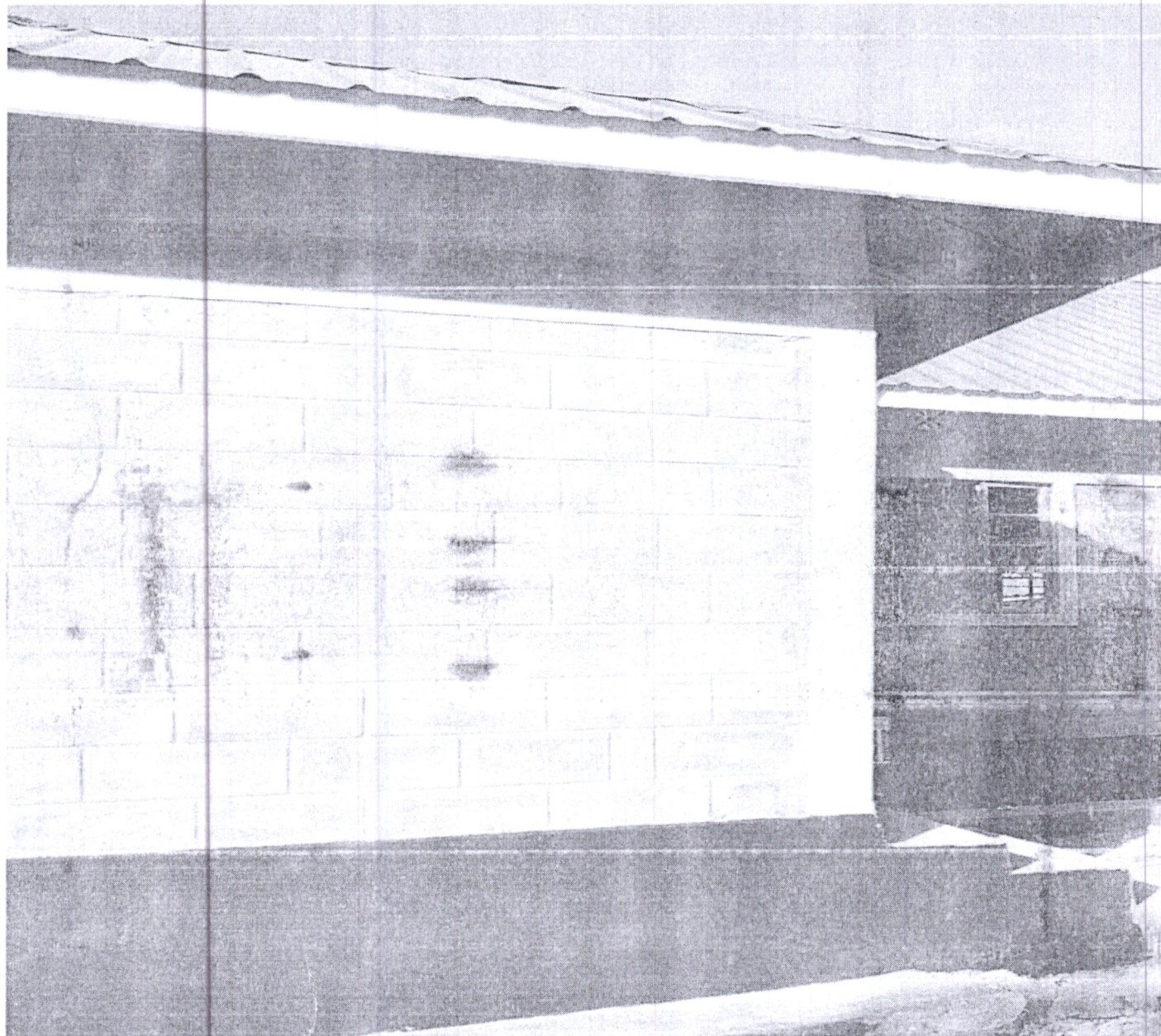
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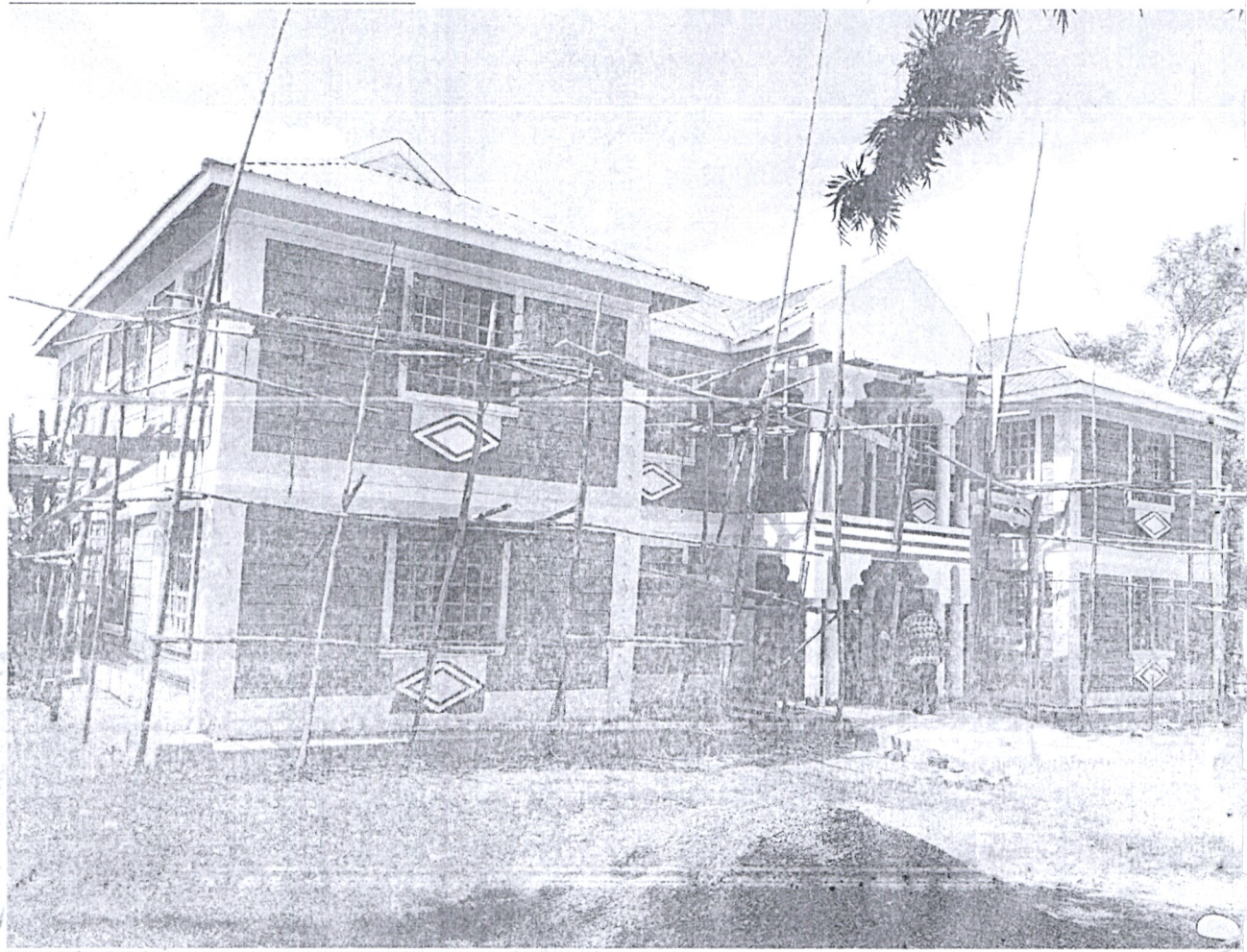


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KWANZA GIRLS SECONDARY SCHOOL- CONSTRUCTION
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C. SECURITY PROJECTS

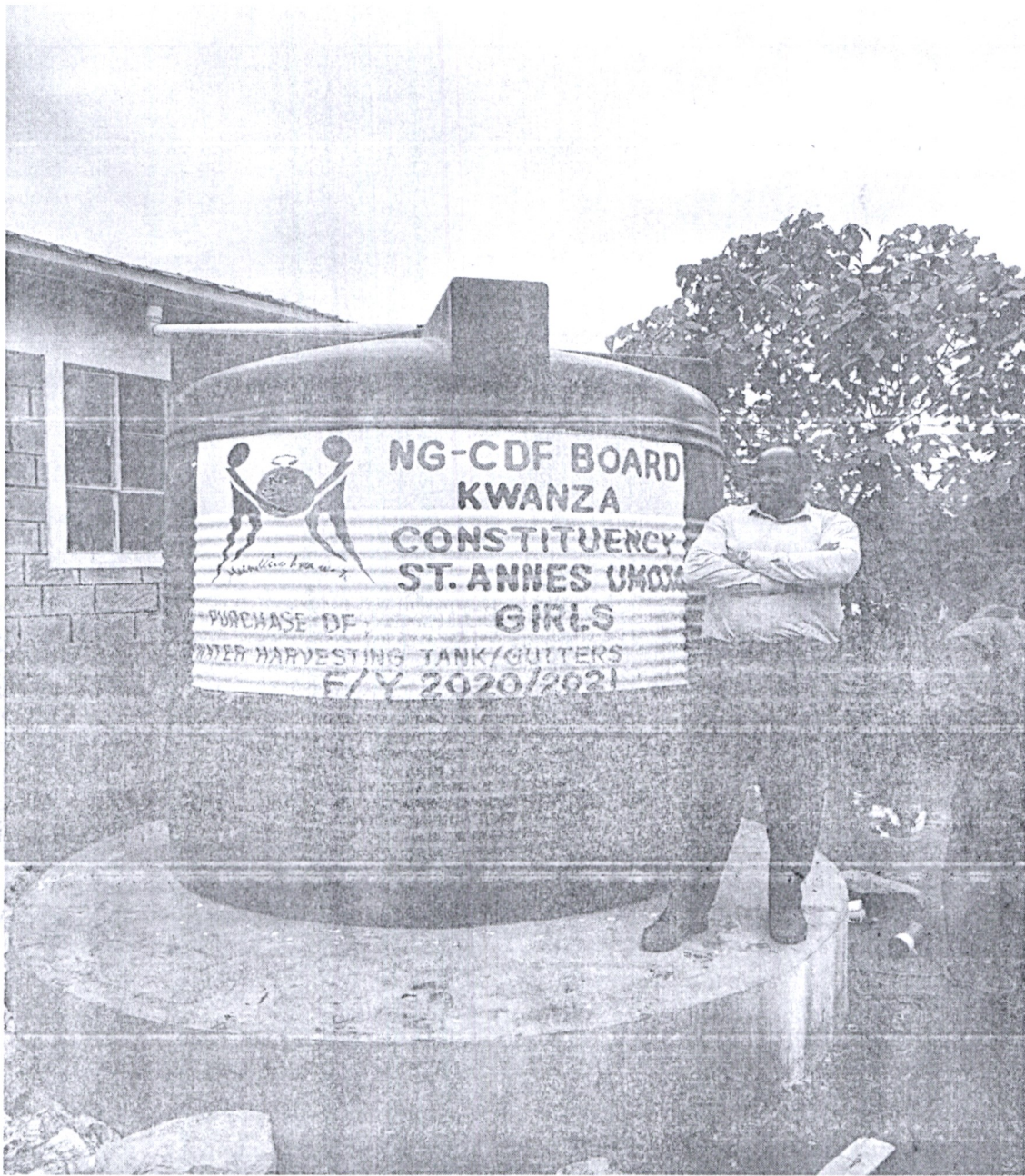


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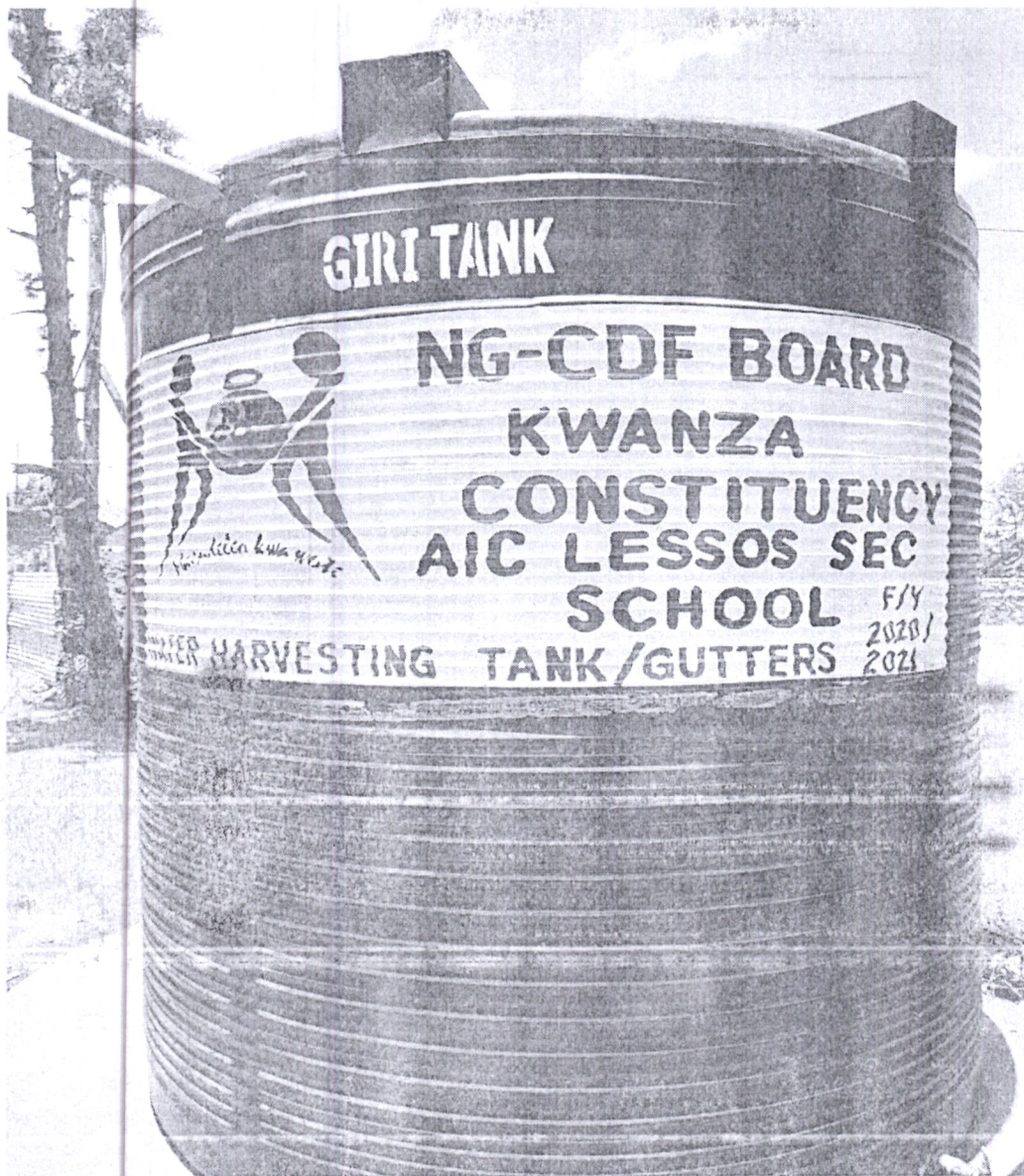
D. ENVIRONMENT PROJECTS



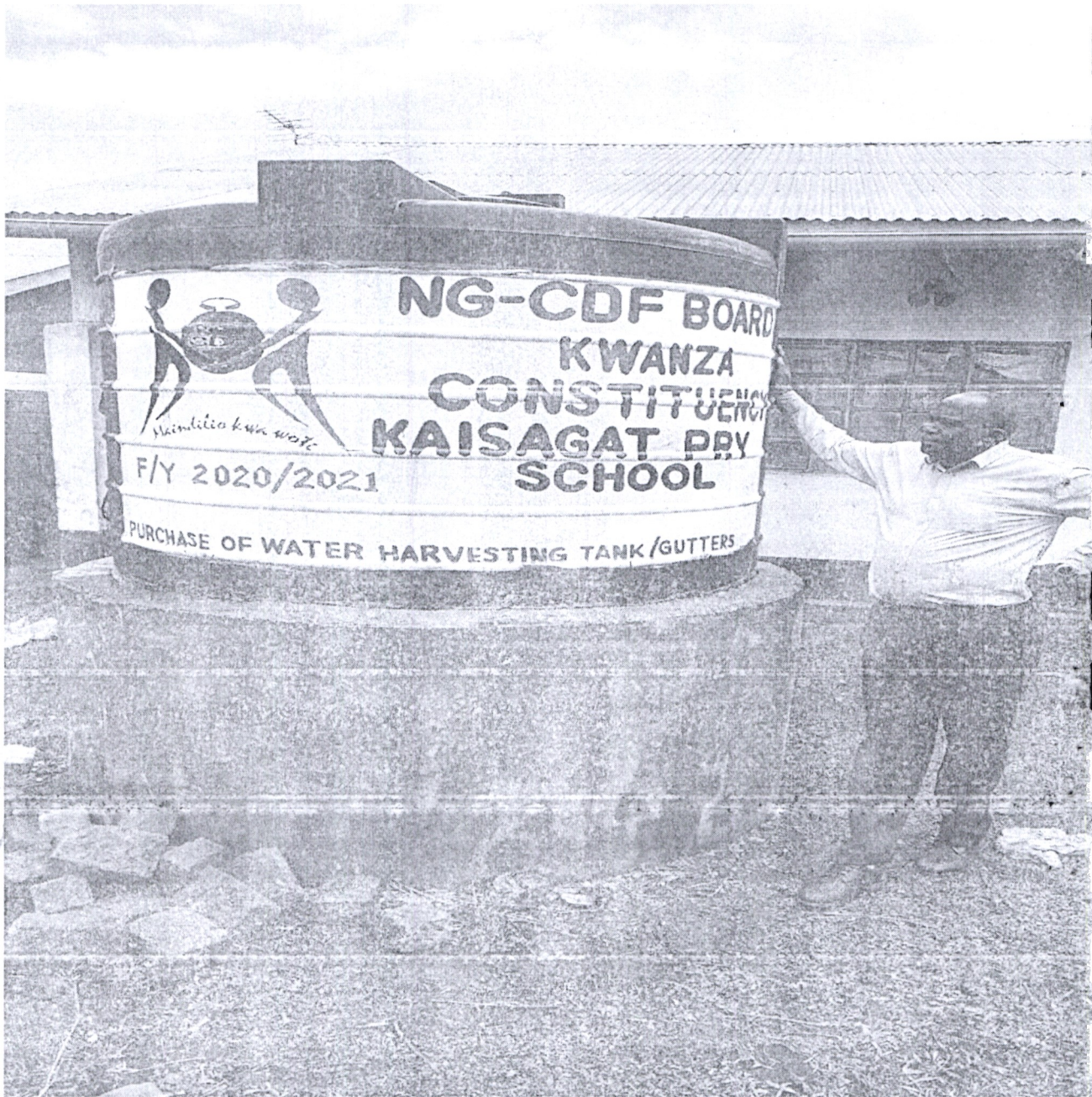
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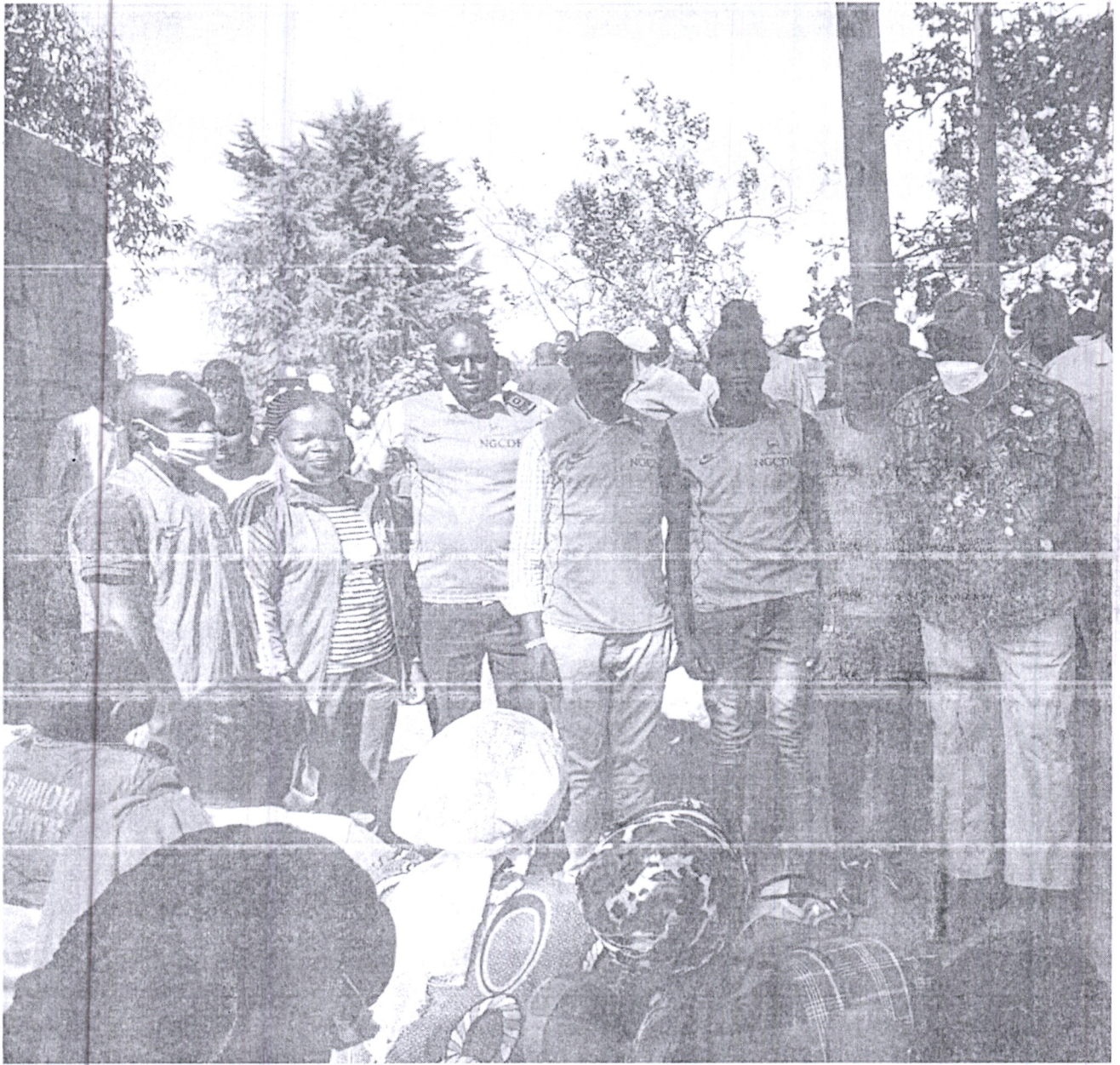


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E. SPORTS



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TALENT FOOTBALL CLUB-ISSUING OF;- 15 NO.UNIFORMS,2 NO.BALLS,2 NO.GOAL POST NETS,1 NO. FIRST AID KIT &1 NO. WHISTLE.



KAPSITWET COMMUNITY CLUB-ISSUING OF;- 15 NO. UNIFORMS,2 NO. BALLS,2 NO. GOAL POST NETS,1 NO. FIRST AID KIT & 1 NO. WHISTLE.

NANCY IMALI

CHAIRLADY NG CDF 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 *Kwanza Constituency 2018-2022* plan are to:

- a) Improving access to quality education by rehabilitation/renovation/construction of classrooms, sanitary facilities, computer labs/classes in schools in the constituency; provision of laboratory equipment and ICT facilities to schools; provision of bursary to needy and bright students at all levels of learning; and connection of all schools to the national grid;
- b) Harnessing youth talent by funding of youth sporting initiatives, conducting campaign on drugs and substance abuse and on HIV and AIDS, creating awareness on the establishment of youth groups, creating awareness among the youth on seeking development fund loans, and promoting youth talent;
- c) Promoting environment in the constituency by organizing tree planting days. In the NG CDF Act 2015, environmental activities may be considered as development projects, provided the allocation to such activities do not exceed two-percent (2%) of the total allocation of the constituency in any financial year;
- d) Catering for any unforeseen occurrences in the constituency(emergency support);
- e) Enhancing security in the constituency by constructing/rehabilitating chief's offices, police stations, and police housing units, installation of flood lights, among other initiatives;
- f) Improving the tracking of implementation of NG CDF programmes. In the NGCDF Act 2015, monitoring and evaluation of on going projects and capacity building of various operations has been considered as a development project provided that not more than three percent(3%) is allocated for this purpose; and
- g) Promoting performance management and smooth running of the NG CDF office.

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 quality education by	Increased enrolment in	- number of usable	In FY 21/22 -we increased

Kwanza Constituency

National Government Constituencies Development Fund (NGCDF)

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	<p>rehabilitating /renovating/constructing classrooms, sanitary facilities, laboratories, libraries and boarding facilities.</p> <p>-To have all children of school going age attending school</p>	<p>primary schools and improved transition to secondary schools and tertiary institutions</p>	<p>physical infrastructure build in primary, secondary, and tertiary institutions</p> <p>- number of bursary's beneficiaries at all levels</p>	<p>number of classrooms, dormitories, laboratories. In total we managed to construct 20 classrooms in primary schools, 16 classrooms in secondary schools, renovated 20 classrooms in primary schools, build 4-door pit latines in 10 primary schools and Modern Ablution blocks in 1 secondary school, built 4-door pit latrine in 2 secondary schools.</p> <p>- 1 school bus was purchased in 1 secondary school.</p> <p>- Awarded Bursary to 11,029 to needy students, 3,762 female students and 3,763 male students in secondary schools, and 1,587 female students in tertiary institutions and 1,874 male students in tertiary</p>
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				institutions. - driving school offered full sponsorship to 43 students, 32 male and 11 female.
Security	To enhance security in the constituency by constructing chiefs offices and other administrative units.	Improved security and reduction in crime rate.	-Assistant county commissioner office built.	-completion of ACC offices at Bidii Divisional Headquarters and construction of 3 units staff houses at Biketi ASTU.
Environment	To promote environmental activities in the constituency by funding public institutions to harvest water, purchase and install water tanks, pipes and gutters.	-Increase sanitation	Environment	To promote environmental activities in the constituency by funding public institutions to harvest water, purchase and install water tanks, pipes and gutters in 5 secondary schools.
Sports	Carry out constituency sports tournament and awarding of trophies, balls and games kits.	Youth empowerment.	Number of teams funded.	Purchase of games kits, balls and other sports items to selected /identified teams awarded to 19 football teams and 3 volleyball teams.
Emergency	To cater for any unforeseen occurrences in the constituency.	Increased mitigation of unforeseen occurrence in the constituency.	-Numbers of pit latrines constructed after collapsing of the existing pit latrines.	-In the F/Y 2021/2022 pit latrines were built in 10 primary schools and 2 pit

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				latrines in 2 secondary schools and 1 ablution block in 1 secondary school.
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IV. Environmental and Sustainability Reporting

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

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

Environment policy and action plan

Protection of the environment in which we live and operate is part of Kwanza NG-CDF mandate.

Care for the environment is one of key responsibilities and important aspect in the way in which we carry out our operations.

Challenges.

- Inadequate sewerage system
- Increased plastic waste and wanton dumping of waste

Intervention

- Awareness campaigns to sensitize the people
- Constituency by-laws prohibiting adhoc building of temporary houses.

Expected results

- Adequate water supply and sewerage system
- A clean & Organized constituency

Our Environmental policy

In this Policy Statement Kwanza NG-CDF Commits to:-

- Comply with relevant Environmental legislation, regulations and approved codes of practice.
- Developing our management process to ensure that environmental factors are considered during planning and implementation

- Managing and disposing of all wastage in a responsible manner.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.
- Seeking to keep wastage to a minimum and maximize the efficient use of material and resources.
- Regularly communicating our environmental performance to our employees and other significant stake holders
- Seeking to leverage our environmental impact by encouraging stakeholder to improve their environmental performance.
- Monitoring and continuously improving our environmental performance

Our Environmental action plan

Kwanza NG-CDF has identified four areas in which the management has direct or indirect Environmental impact, and where the management can implement initiatives to manage and reduce these impacts.

These areas are:

Impact Area	Approach
<p>Pollution Control and Waste Management</p>	<ul style="list-style-type: none"> • To ensure proper human waste disposal through construction of pit latrines • Septic and soak pit tanks, adequate water supply and sewerage system.
<p>Conservation of Energy and Resources</p>	<ul style="list-style-type: none"> • To maximize use of available technologies to remove the need to use of paper • To encourage our clients to engage with the management using electronic means where possible

	<ul style="list-style-type: none">• To maximize on rain water harvesting• To make energy efficiency a key factor in the selection of any new energy device being purchased• To invest in available energy saving technologies and devices within our existing premise.
Environmental protection and conservation	<ul style="list-style-type: none">• To encourage tree planting in the constituency to improve the forest cover• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires.
Awareness campaigns	<ul style="list-style-type: none">• Promote environmental awareness by sensitizing the constituents NG-CDFC, PMCs and NG-CDFC Staff on good conservation practices.

3. Employee welfare

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

Kwanza 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-

Kwanza 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

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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.

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



Joseph K.N. Rotich
FAM

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kwanza 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-Kwanza 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- Kwanza 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.

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The Accounting Officer in charge of the NGCDF Kwanza Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kwanza Constituency financial statements were approved and signed by the Accounting Officer on 14/9/2022.



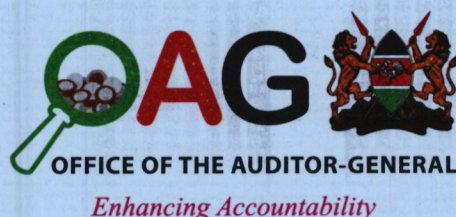
.....
Name: Joseph KN Rwach
Fund Account Manager



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Name: Nancy Imali
Chairman – NGCDF Committee

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KWANZA 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 - Kwanza Constituency set out on Pages 1 to 46,

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

which comprise of the statement of assets and liabilities as at 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 effects 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 - Kwanza Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Project Management Committee Bank Balances

Note 17.4 under other important disclosures reflects project management committee (PMC) bank balances of Kshs.43,978,309 as at 30 June, 2022 held in one hundred and thirty-seven (137) commercial bank accounts as disclosed in Annex 5 to the financial statements. The cash books, bank reconciliation statements, certificates of bank balances and bank statements for the one hundred and thirty-seven (137) bank accounts were however, not provided for audit review.

In the circumstances, accuracy and existence of project management committee bank balance of Kshs.43,978,309 could not be confirmed.

2. Summary of Fixed Assets

Annex 4 to the financial statements on summary of fixed assets register reflects cumulative historical asset balance of Kshs.14,276,966 as at 30 June, 2022. The size and value of land on which the Fund's office is situated have not been determined and included in financial statements. Further, land title deed to confirm its ownership was not provided for audit review.

In the circumstances, land ownership and accuracy of fixed assets balance of Kshs.12,276,966 as at 30 June, 2022 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 – Kwanza 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

on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Late Disbursements of Funds from the Board

The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board amount of Kshs.171,277,758 for the year ended 30 June, 2022. The amount of Kshs.171,277,758 however, includes Kshs.34,188,879 or 20% of total receipts budgeted for in the 2020/2021 financial year contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which states that the disbursement of funds to the Constituency Fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the allocation for the constituency and thereafter the constituency fund account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year and Section 40(1) which stipulates that the Board shall ensure that the list of projects forwarded to it by each constituency is upon approval, funded in accordance with the Act.

In the circumstances, the Board was breach of the law.

2. Irregular Award of Education Bursary

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.94,191,200 for the year ended 30 June, 2022 which includes bursary payments to secondary schools and tertiary institutions amounts of Kshs.36,628,000 and Kshs.32,422,000 respectively as disclosed under Note 7 to the financial statements. The

bursary payments totals to Kshs.69,050,000. There was however, no approved formal criteria to guide the bursary committee in awarding bursaries.

In the circumstances, transparency and fairness in awarding the bursaries could not be confirmed.

3.0 Implementation of Projects

3.1 Project Implementation Status

Review of project implementation status report revealed that seven (7) projects with total allocation of Kshs.5,590,083 were yet to be started. Further, twelve (12) roll-over projects with total allocation of Kshs.32,800,000, some started in the financial year 2018/2019 were not complete. This is contrary to Section 11(1j) of National Government Constituency Fund Regulations, 2016 which states that - Constituency Committee shall ensure projects receive adequate funding and are completed within three (3) years.

3.2 Unsatisfactory Implementation of Projects

Physical verification of Seven (7) projects with total disbursement of Kshs.5,620,000 revealed that the projects were either poorly implemented, incomplete or had stalled. The projects status is summarized in in **Appendix I**.

In the circumstances, the Fund was in breach of the law, and value for money had been obtained.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance

were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 July, 2023

Appendix I: Projects Verification

No	Project Description and Scope of Work	Amount Kshs.	Observations
1	Namanjalala Secondary school: Completion of 90-students capacity twin laboratory	1,700,000	<ul style="list-style-type: none"> (i) The roof was poorly done and ceiling was loosely hanging and poor quality materials was used on the ceiling (ii) The veranda and the walling was not properly jointed as there was cracks in the whole building (iii) Fume chamber was incomplete and outlet also not done (iv) The fume chamber was poorly designed as the chamber is not airtight hence the risk of leaking gas into the main laboratory which poses health hazards. (v) There was no chimney for the outlet of poisonous gases. The type of material used on the walls were not as per the prescription of a fume chamber; the glass used were loose with spacing between the joints hence cannot contain the gases within, wooden frames used instead of aluminum hence posing health hazards to students and other users (vi) There were leaking water taps in most of the sinks, (vii) Terrazzo was poorly done with Cracks observed and fading colours in most parts of the floor and no polishing was done (viii) The works for 2021/22 is not labelled hence casting doubt if the works relate to 2021/2022
2	Namanjalala Secondary School: Completion of Multipurpose Hall (plastering, fitting of shutters and painting)	800,000	<ul style="list-style-type: none"> (i) There were cracks on the walls (ii) Poor or fading paint works (iii) Contract provided for roofing using gauge 28 but instead gauge 30 box profile was used (iv) Project started in 2013/14 hence had exceeded the allowable 3 years completion period. (v) The works for 2021/22 is not labelled hence casting doubt if the works relate to 2021/2022

No	Project Description and Scope of Work	Amount Kshs.	Observations
3	St. Cecilia Marinda Secondary School: purchase of 51-seater school bus	7,200,000	The bus was physically verified but it is not secured as the shade has no gate
4	St Francis Kolongolo High School; Completion of Multipurpose hall	1,129,917	(i) Project was started in 2013/2014 and has exceeded the allowable 3 years' period (ii) The works for 2021/2022 was not labeled (iii) The project bill of quantities (BoQ) were not provided to define scope of works to be carried out
5	St Augustine Maziwa Boys Secondary School: Additional funds for construction of storey tuition block for eight (8) classrooms each with a capacity of 45 students to completion	6,000,000	(i) Project is incomplete and abandoned as contractor was not on site (ii) Poor workmanship noted and poor quality materials used; Contractor used 30 gauge iron sheets instead of 28 gauge as per Bills Quantities, Roof poorly done as some of the iron sheets are falling off (iii) Iron sheets used are of poor quality and are fading. (iv) Doors: Metallic doors are of poor quality and poor finishes with sharp edges which can harm the students and other users, (v) Walling-poor workmanship noted on the walls with insufficient mortar on the joints leaving spacing hence weak walls and in some instances there was no mortar at all in the joints as stones laid on top of others. (vi) Veranda is incomplete and poor workmanship noted as the substructure left at hard core level without a slab,
6	St. Annes Umoja Girls High School: Construction of 80-students Capacity dormitory to completion	2,790,083	Dormitory completed but not yet in use
7	Bidii Assistant County Commissioners offices: additional funds for the completion of the Bidii	6,000,000	(i) At 90% completion. The contractor is however not on site and is behind schedule by four (4) months with the completion date of December 2022,

No	Project Description and Scope of Work	Amount Kshs.	Observations
	Assistant County Commissioners offices at Bidii Division headquarters		(ii) Painting incomplete with only undercoat done, (iii) Terrazzo done only in one room (iv) Interior doors not done and only wooden frames installed without shutters, (v) Ceiling not done at the veranda, (vi) No branding and signpost noted, The workmanship was however, good
		25,620,000	

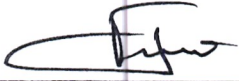

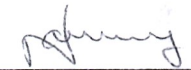
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VII. Statement Of Receipts and Payments

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	171,277,758	172,767,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3		16,000
Total Receipts		171,277,758	172,783,724
Payments			
Compensation Of Employees	4	2,954,357	3,104,320
Use Of Goods and Services	5	10,581,084	10,485,076
Transfers To Other Government Units	6	87,020,000	110,606,873
Other Grants and Transfers	7	94,191,200	28,208,000
Acquisition Of Assets	8	-	159,000
Other Payments	9		=
Total Payments		194,746,641	152,563,269
Surplus/(Deficit)		(23,468,883)	20,220,455

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 14/9/ 2022 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: <u>Joseph M. Kibici</u>	Name: <u>JAMIR A. MWAKAPI</u> ICPAK M/No:	Name: <u>Nancy Imali</u>




*Kwanza Constituency
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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	2,836,161	25,627,844
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		2,836,161	25,627,844
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		2,836,161	25,627,844
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	677,200	-
Total Financial Liabilities		677,200	-
Net Financial Assets		2,158,961	25,627,844
Represented By			
Fund Balance B/Fwd	13	25,627,844	5,407,389
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(23,468,883)	20,220,455
Net Financial Position		2,158,961	25,627,844

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 14/9/ 2022 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: <u>Joseph Kariuki</u>	Name: <u>Samson S. Mwakopa</u> ICPAK M/No:	Name: <u>Nancy Imali</u>

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

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

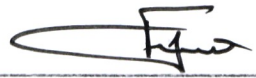
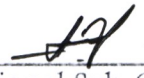
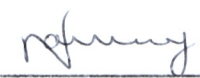
	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	171,277,758	172,767,724
Other Receipts	3		16,000
Total Receipts		171,277,758	172,783,724
Payments			
Compensation Of Employees	4	2,954,357	3,104,320
Use Of Goods and Services	5	10,581,084	10,485,076
Transfers To Other Government Units	6	87,020,000	110,606,873
Other Grants and Transfers	7	94,191,200	28,208,000
Acquisition of Assets	8	-	-
Other Payments	9	-	-
Total Payments		194,746,641	152,563,269
Total Receipts Less Total Payments			
Adjusted For:		-	-
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	677,200	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(22,791,683)	20,379,455
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	159,000
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(22,791,683)	20,220,455
Cash & Cash Equivalent At Start Of The Year	10	25,627,844	5,407,389

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Cash & Cash Equivalent At End Of The Year		2,836,161	25,627,844
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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 14/9/ 2022 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: <u>Joseph KN B Kich</u>	Name: <u>SAMSON A. MWAKAP</u> ICPAK M/No:	Name: <u>Nancy Inali</u>

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

Receipts/Payments	Original Budget		Adjustments		Final Budget 2021/2022 c=a+b	Actual on comparable basis d	Budget utilization Difference e=c-d	% of Utilization f=d/c %
	2021/2022 a	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements b				
Receipts								
Transfers From NGCDF Board	137,088,879		25,627,843	34,188,879	196,905,601	171,277,758	25,627,843	
Proceeds From Sale of Assets					-	-		
Other Receipts(staff gratuity)					-	-		
Totals	137,088,879		25,627,843	34,188,879	196,905,601	171,277,758	25,627,843	87%
Payments								
Compensation Of Employees	3,250,000		60,232	700,000	4,010,232	2,954,357	1,055,875	74%
Use Of Goods and Services	9,087,932		1,293,152	200,000	10,581,084	10,581,084	0	100%
Transfers To Other Government Units	71,020,000		6,000,000	10,000,000	87,020,000	87,020,000	0	100%
Other Grants and Transfers	53,730,947		18,258,459	23,288,879	95,278,285	94,191,200	1,087,085	99%
Acquisition Of Assets					-	-		
Other Payments					-	-		

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Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization Difference e=c-d	% of Utilization f=d/c %
	a	2021/2022	b	Opening Balance (C/Bk) and AIA				
Receipts			Previous Years' Outstanding disbursements		2021/2022	30/06/2022		
Funds Pending Approval**	-	16,000	-		16,000		16,000	0%
Totals	137,088,879	25,627,843	34,188,879		196,905,601	194,746,641	2,158,960	99%

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

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. There was no AIA realized in the financial year.*
- ii. There was underutilization on compensation of employees. Unutilized funds under compensation of employees will ensure employees salaries are paid even after the close of the financial year and before the disbursement of the subsequent financial year funds.*
- iii. The changes between the original and the final budget is as a result of opening balance at the start of the financial year and the funds owed to the constituency by NGCDF Board at the close of the previous financial year but disbursed in the current financial year.*

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	2,158,960
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
Add Accounts payable	677,200
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	2,836,160

The Constituency financial statements were approved on 14/9/ 2022 and signed by:



Fund Account Manager

Name: Joseph Kw Bhatia



National Sub-County Accountant

Name: Amin A. Mwaipi
 ICPAK M/No:



Chairman NG-CDF Committee

Name: Nancy Imahi

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X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk, and AIA Kshs	Previous Year's Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,250,000	60,232	700,000	4,010,232	2,954,357	1,055,875
1.2 Committee allowances	2,700,000	76,951.00	100,000	2,876,951	2,876,951	-
1.3 Use of goods and services	2,275,332	449,697	100,000	2,825,029	2,825,029	-
2.0 Monitoring and evaluation						
2.1 Capacity building	1,300,000	78,600	-	1,378,600	1,378,600	-
2.2 Committee allowances	1,500,000	492,400	-	1,992,400	1,992,400	-
2.3 Use of goods and services	1,312,600	195,504	-	1,508,104	1,508,104	-
3.0 Emergency						
3.1 Primary Schools	5,412,207	579,303	1,038,879	7,030,389	6,570,000	460,389
3.2 Secondary schools	1,780,000	1,082,547	-	2,862,547	2,780,000	82,547
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
4.0 Bursary and Social Security						

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/B/C) and AIA	Previous Year's Outstanding Disbursements			
4.1 Primary Schools						
4.2 Secondary Schools	17,600,000	228,000	18,850,000	36,678,000.00	36,628,000	50,000
4.3 Tertiary Institutions	17,000,000	15,422,000	-	32,422,000	32,422,000	-
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-
5.0 Sports	438,740	946,608.59	500,000	1,885,349	1,391,200	494,149
5.1						
5.2						
5.3						
6.0 Environment						
6.1 Keese Secondary School	200,000			200,000	200,000	-
6.2 Nasianda Secondary School	200,000			200,000	200,000	-
6.3 Soymining Secondary School	200,000			200,000	200,000	-
6.4 St Peters Kapomboi Secondary School	200,000			200,000	200,000	-
6.5 St Phillips Kipsoen Secondary School	200,000			200,000	200,000	-
6.6 Linyva Secondary School			200,000	200,000	200,000	

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
6.7 St Francis Girls Secondary School			200,000	200,000	200,000	-
6.8 St Maurice Girls Lunyu			200,000	200,000	200,000	-
6.9 St Cecilia Marinda Secondary School			209,000	200,000	200,000	-
6.10 Kaisaat Boarding Primary School			100,000	100,000	100,000	-
6.11 Aie Lessos Secondary School			200,000	200,000	200,000	-
6.12 St. Annes Umoja Girls Secondary School			200,000	200,000	200,000	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 Bungema B Primary School	1,000,000			1,000,000	1,000,000	-
7.2 Kaubi Nairobi Primary School	900,000			900,000	900,000	-
7.3 Kaponboi Primary School	1,800,000			1,800,000	1,800,000	-
7.4 Keese Primary School	1,800,000			1,800,000	1,800,000	-
7.5 Kitale Ndogo Primary	1,800,000			1,800,000	1,800,000	-
7.6 Kolongolo Primary School	1,800,000			1,800,000	1,800,000	-
7.7 Makhonge Primary School	1,800,000			1,800,000	1,800,000	-
7.8 Malomonye Primary School	1,800,000			1,800,000	1,800,000	-
7.9 Marididi Primary School	1,800,000			1,800,000	1,800,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
7.10 Tembelelela Primary School	1,000,000			1,000,000	1,000,000	-
7.11 Water Supply Primary	1,800,000			1,800,000	1,800,000	-
7.12 Ziwakati Primary	1,800,000			1,800,000	1,800,000	-
7.13 Milimani Primary School	200,000			200,000	200,000	-
7.14 Namanjalala Primary	1,800,000			1,800,000	1,800,000	-
7.15 Ndalala Primary	2,000,000			2,000,000	2,000,000	-
7.16 Sande Primary School	1,800,000			1,800,000	1,800,000	-
7.17 Maramu Primary School			800,000	800,000	800,000	-
7.18 St Charles Lwanga Primary School			800,000	800,000	800,000	-
7.19 Pombo Primary School			800,000	800,000	800,000	-
7.20 Matisi Block Primary School			800,000	800,000	800,000	-
7.21 Leissa Primary School			800,000	800,000	800,000	-
8.0 Secondary Schools Projects (List all the Projects)						
8.1 St Annes Umoja Girls	2,790,083			2,790,083	2,790,083	-
8.2 St Cecilia Marinda Sec	7,200,000			7,200,000	7,200,000	-
8.3 St Monica Girls	9,000,000			9,000,000	9,000,000	-
8.4 Aic Kobos Girls	900,000			900,000	900,000	-
8.5 Kwanza Girls	2,300,000			2,300,000	2,300,000	-

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/BR) and AIA	2021/2022	30/06/2022	
		Previous Year's Cuts and Disbursements			
8.6 Milimani Secondary	800,000		800,000	800,000	-
8.7 Misanga Secondary	6,000,000		6,000,000	6,000,000	-
8.8 Mutua Secondary	3,000,000		3,000,000	3,000,000	-
8.9 Namanjalala Secondary	800,000		800,000	800,000	-
8.10 Namanjalala Secondary	1,700,000		1,700,000	1,700,000	-
8.11 St Aines Umoja Girls	300,000		300,000	300,000	-
8.12 St Augustine Maziwa	6,000,000		6,000,000	6,000,000	-
8.13 St Francis Kolongolo Boys	1,129,917		1,129,917	1,129,917	-
8.14 St Francis Kolongolo Girls	900,000		900,000	900,000	-
8.15 St Maurice Lunyu Sec	2,000,000		2,000,000	2,000,000	-
8.16 St Michael Liyavo Girls	1,000,000		1,000,000	1,000,000	-
8.17 St Pauls Bwayi	300,000		300,000	300,000	-
8.18 St Augustine Maziwa Secondary School		6,000,000	6,000,000	6,000,000	-
8.19 Misanga Sa Secondary School					
8.20 St Augustine Maziwa Secondary School		3,000,000	3,000,000	3,000,000	-
9.0 Tertiary institutions Projects (List all the Projects)		3,000,000	3,000,000	3,000,000	-
9.1					
9.2					

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Year's Outstanding Disbursements			
9.3						
9.4						
10.0 Security Projects						
10.1 Bikeri Astu	1,000,000	-	-	1,000,000	1,000,000	-
10.2 Bidi: Divisional Headquarters	9,500,000	-	-	9,500,000	9,500,000	-
10.3 Kwanza Sub-County Headquarters	-	-	1,600,000.00	1,600,000	1,600,000.00	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**		16,000	-	16,000	-	16,000
Total	137,088,879	25,627,843	34,188,879	196,905,601	194,746,641	2,158,960

*Kwanza Constituency
National Government Constituencies Development Fund (NGCDF)
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(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-Kwanza Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 096856		500,000
AIE NO. B 096926		18,000,000
AIE NO. B 104629		28,000,000
AIE NO. A 823658		23,367,724
AIE NO. B 124580		9,000,000
AIE NO. B 119530		12,000,000
AIE NO. B 119920		15,000,000
AIE NO. B 128161		6,900,000
AIE NO. B 128474		8,000,000
AIE NO. B 132218		6,000,000
AIE NO. B 138886		15,000,000
AIE NO. B 126180		6,000,000
AIE NO. B 126475		10,000,000
AIE NO. B 140618		15,000,000
AIE NO. B 140969	34,188,879	
AIE NO. B 105486	68,000,000	
AIE NO. B 105977	10,000,000	
AIE NO. B 128580	16,000,000	
AIE NO. B 128892	25,000,000	
AIE NO. B 154089	17,088,879	
TOTAL	171,277,758	172,767,724

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-

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Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	16,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere (staff gratuity)	677,200	-
Total	677,200	16,000

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4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,603,117	2,568,000
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	211,200	395,200
Employer Contributions Compulsory national social security schemes	140,040	141,120
Total	2,954,357	3,104,320

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	0	0
Utilities, supplies and services	434,632	443,957
Communication, supplies and services	9,450	9,450
Electricity	12,000	10,332
Domestic travel and subsistence	373,050	456,850
Printing, advertising and information supplies & services	106,000	507,650
Rentals of produced assets	0	0
Training expenses	1,034,200	2,083,640
Hospitality supplies and services	145,207	222,465
Other committee expenses	0	0
Committee allowance	5,931,500	4,698,600

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Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	610,892	693,761
Fuel, Oil & Lubricant	615,300	605,000
Bank service commission and Charges	73,410	61,620
Other operating expenses	0	0
Routine maintenance – vehicles and other transport equipment	956,722	533,150
Routine maintenance – other assets	278,721.00	158,601
Total	10,581,084	10,485,076

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6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	28,900,000	28,550,000
Transfers To Secondary Schools (See Attached List)	58,120,000	82,056,873
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	87,020,000	110,606,873

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	36,628,000	1,160,000
Bursary – tertiary institutions (see attached list)	32,422,000	15,698,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	12,100,000	5,000,000
Sports projects (see attached list)	1,391,200	-
Environment projects (see attached list)	2,300,000	-
Emergency projects (see attached list)	9,350,000	6,350,000
Total	94,191,200	28,208,000

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-

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Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of Office steel cabinets, printers and T.V Set	-	159,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	159,000

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	-	-
<i>Cooperative Bank, Kitale Branch. Kwanza NG CDF</i>	2,836,161	25,627,844
Total	2,836,161	25,627,844
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

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

Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	<i>2021-2022</i>	<i>2020-2021</i>
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	677,200	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	677,200	-

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	<i>2021-2022</i>	<i>2020-2021</i>
--	------------------	------------------

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	(1 st July 2021)	(1 st July 2020)
	Kshs	Kshs
Bank accounts	25,627,844	5,407,389
Cash in hand	-	-
Imprest	-	-
Total	25,627,844	5,407,389

[Provide short appropriate explanations as necessary]

14. Prior Year Adjustments

Description of the error	Balance b/f FY 2020/2021 as per Audited Financial statements Kshs	Adjustments Kshs	Adjusted Balance** b/f FY 2021/2022 Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022 KShs	2020-2021 KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

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	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

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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
NGCDFC Staff	677,200	395,200
Others (<i>specify</i>)	-	-
Total	677,200	395,200

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,055,875	1,304,552
Use of goods and services	-	948,832
Amounts due to other Government entities (see attached list)	-	16,000,000
Amounts due to other grants and other transfers (see attached list)	1,087,085	41,547,338
Acquisition of assets	-	-
Funds pending approval	16,000.00	16,000
Total	2,158,960	59,816,722

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	43,978,309	57,665,762
Total	43,978,309	57,665,762

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Annexes
Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. TITUS CHESONI		2018	158,400	
2. AGNES MAKOKHA		2019	68,400	
3. HELLEN NEKESA		2019	68,400	
4. JOSEFH WASIKE		2019	68,400	
5. ELIUD LAGAT		2019	68,900	
6. ESTHER NASILA		2019	108,800	
MICHAEL MASBO		2020	35,200	
KENNEDY KARIUKI		2020	48,000	
METRINE WANJALA		2020	55,200	
TOTAL			677,200	

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Annex 3 – Unutilized Fund

Name	Brief transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,055,875	1,304,552	
Use of goods & services		-	948,832.00	
Amounts due to other Government entities				
Primary schools				
Pombo Primary School		-	800,000	
Leissa Primary School		-	800,000	
Mutisi Block Primary School		-	800,000	
St Charles Lwanga Primary School		-	800,000	
Meramut Primary School		-	800,000	
Sub-Total		0	4,000,000	
Secondary schools				
St Augustine Maziwa Secondary School		-	9,000,000	
Misanga Secondary School		-	3,000,000	
Sub-Total		0	12,000,000	
Amounts due to other grants and other transfers				
Bursary		50,000	34,266,000	
Emergency Reserves		542,936	2,934,729.00	
Environment		0	1,300,000.00	
Sports		494,149	1,446,609.00	
Security Projects		-	1,600,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Sub-Total		1,087,085	41,547,338	
Acquisition of assets		0	0	
Others (<i>specify</i>)		0	0	
Sub-Total		0	0	
Funds pending approval		16,000	16,000	
Grand Total		2,158,961	59,816,722	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	0	-	0	0
Buildings and structures	3,750,000	-	0	3,750,000
Transport equipment	8,793,870	-	0	8,793,870
Office equipment, furniture and fittings	1,335,167	-	0	1,335,167
ICT Equipment, Software and Other ICT Assets	332,989	-	0	332,989
Other Machinery and Equipment	0	-	0	0
Heritage and cultural assets	0	-	0	0
Intangible assets	64,940	-	0	64,940
Total	14,276,966	-	0	14,276,966

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Annex 5 – PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kapko Central Primary School	Co-Op Bank	1139694815600	4,549.50	4,549.50
Section Six Primary School	Co-Op Bank	1141840100300	304,790	4,790
Maziwa Primary School	Co-Op Bank	1139502971700	80,759.80	1,435,905.80
Pengi Primary School	Co-Op Bank	1139694130000	3,118.50	3,118.50
Siambe Primary School	Co-Op Bank	1139599000400	11,075	300,835
Fki Mandarara Primary School	Co-Op Bank	1139599184400	83,686.50	83,686.50
Mukuyuni Primary School	Co-Op Bank	1139599679100	6,721.50	21,477.50
Pombo Primary School	Co-Op Bank	1139599147000	104,379	226,904.50
Mugeiyot Primary School	Co-Op Bank	1139840129100	1,860	1,860
Chief Mutende Primary School	Co-Op Bank	1139599053200	9,732	9,731.50
Kambi Nairobi Primary school	Co-Op Bank	1139694129500	968,183	324,539.50
Amuka Primary School	Co-Op Bank	1139502954300	196	485,244
Bungoma B Primary School	Co-Op Bank	1139694982600	133,645	406,192.50
Tembelela primary School	Co-Op Bank	1139599931900	1,097,493	49,789
St Emmanuel Primary School	Co-Op Bank	1139096521200	14,052	24,424.50
Kipkorion Primary School	Co-Op Bank	1139599050700	2,273	2,272.50
Mirembe Primary School	Co-Op Bank	1139502934700	54,857	251089.500
Maramu Primary School	Co-Op Bank	1139599176200	64,220	2,312.50
Millimani Junior Primary	Co-Op Bank	1139694829300	4,708	4,707.50
Malomonye Primary School	Co-Op Bank	1139599001300	1,802,248	2,247.50
Geserate Primary School	Co-Op Bank	1139599757400	2,083	2,082.50
Soymining Primary School	Co-Op Bank	1139599753500	5,312	5,311.50
Kambi Ndege Primary School	Co-Op Bank	1139694205800	10,828	310,291.40
Ndalala Primary School	Co-Op Bank	1139599811400	119,989	13,834

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
St Charles Lwanga Primary School	Co-Op Bank	1139599010900	71,990	6,853.50
Ngeny Secondary School	Co-Op Bank	1139599038201	1,650	803,655
Keese Secondary School	Co-Op Bank	1139840106700	15,706	15,706
St Maurice Lunyu Sec	Co-Op Bank	1139599241900	378,700	6,686
Kwanza Friends Secondarys Sch	Co-Op Bank	1139599154800	194,099	194,098.50
Aic Mwangaza Sec School	Co-Op Bank	1139695139700	6,363	18,887.50
Aic Kapsitwet Secondary School	Co-Op Bank	1139502806000	12,243	12,242.50
St Augustine Maziwa Secondary School	Co-Op Bank	1139599972000	4,251,864	2,127.50
Maridadi Secondary School	Co-Op Bank	1139502824900	952,861	4,343,203.50
Aic Kobos Boys Secondary	Co-Op Bank	1139268284702	206,240	538,639.50
Karaus Secondary School	Co-Op Bank	1139502962400	387,265	2,949,371
Namanjalala Secondary Sch	Co-Op Bank	1139599702800	352,742	215,302
St Francis Kolongolo Girls Sec	Co-Op Bank	1139599160700	719,262	106,991
St Martin Makhonge Sec	Co-Op Bank	1139599849600	639	686,138.50
Gidea Secondary School	Co-Op Bank	1139502906300	1,668	1,667.50
Mutua Secondary School	Co-Op Bank	1139502826500	446,668	5,255.50
Namanjalala Primary School	Co-Op Bank	1139268551400	1,867,757	1,454,989
Umoja Primary School	Co-Op Bank	1139694971700	303,813	3,812.50
Makhonge Primary School	Co-Op Bank	1139599044700	187,698	7,752.50
Kipsoen Primary School	Co-Op Bank	1139599227000	85,802	1,401,362.50
Karaus Primary School	Co-Op Bank	1139502975200	1,743	1,742.50
Korosiot Primary School	Co-Op Bank	1139085506700	9,838	9,837.50
Ziwakati Primary School	Co-Op Bank	1139599020200	1,806,114	5,873.50
Webuye Primary School	Co-Op Bank	1139599760100	1,843	1,842.50
Liyavo Primary School	Co-Op Bank	1139599723200	2,123	69,454

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Biketi A.S.T.U.	Co-Op Bank	1141840073700	1,014,236	24,189
Kwanza Community Policing	Co-Op Bank	1141694202000	11,020	11,019.50
Keiyo Asst Chiefs Office	Co-Op Bank	1141840099900	31,187	350,375
Mali Saba Acc	Co-Op Bank	1141840111300	1,565	1,565
Kwanza Chiefs Office	Co-Op Bank	1141695082600	835	835
Kolongolo Asst Chiefs Office	Co-Op Bank	1141695068200	3,748	3,748
St Michael Girls Secondary	Co-Op Bank	1139502806300	1,271,003	271,002.68
Kwanza Ap Camp	Co-Op Bank	1134694980600	5,085	6,245
Lesses Chiefs Office	Co-Op Bank	1134694202800	5,024	303,027.50
Aic Kobos Girls High School	Co-Op Bank	1139599171400	293,903	159,742.06
Biketi Secondary School	Co-Op Bank	1139599919200	29,118	1,522,167.50
St Monica Girls High School	Co-Op Bank	1139096866502	4,885,361	1,601,147.50
Milimani Secondary School	Co-Op Bank	1139599008000	166,304	256,373.35
Aic Lessos Secondary School	Co-Op Bank	1139268355002	232,103	84,812
Kolongolo Primary School	Co-Op Bank	1139695020900	1,852,797	29,132.50
Ukingoni Primary School	Co-Op Bank	1139599004100	26,603	9,862.50
Bwayi Primary School	Co-Op Bank	1139599017300	67,309	1,414,692.50
St Cecilia Marinda Secondary School	Co-Op Bank	1139502607101	219,626	1,729,070
St Annes Umoja Girls Secondary School	Co-Op Bank	1139502911800	2,845,031	9,007.50
Korosiot Secondary School	Co-Op Bank	1139599699100	127,286	197,405.50
St Pauls Bwayi Sec School	Co-Op Bank	1139599044901	14,303	14,482.50
Luuya Secondary School	Co-Op Bank	1139694536200	4,368	5,005
Bidii Primary School	Co-Op Bank	1139502974400	70,741	340,123.50
Bondeni Primary School	Co-Op Bank	1139599045500	323	1,600,482.50
Misanga Sa Primary School	Co-Op Bank	1139599874200	14,273	14,272.50

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FMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Mwangaza Primary School	Co-Op Bank	1139599224900	52,526	22,878.50
Mugumo Primary School	Co-Op Bank	1139599713400	36,103	36,103
Water Supply Primary School	Co-Op Bank	1139599976400	169,861	31,741.50
Kwanusu Primary School	Co-Op Bank	1139599699200	6,037	6,037
Muungano Primary School	Co-Op Bank	1139096536800	23,508	37,997.50
Lunyuu Primary School	Co-Op Bank	1139694982500	50,611	50,610.50
Sande Friends Primary School	Co-Op Bank	1139599003900	1,805,421	5,320.50
Milima A Primary School	Co-Op Bank	1139502935100	3,961	3,961.30
Keese Primary School	Co-Op Bank	1139046978101	783,959	5,982.50
Goseta Primary School	Co-Op Bank	1139694519200	68,483	42,500
Maridadi Primary School	Co-Op Bank	1139502235601	148,046	2,907.50
Zea Primary School	Co-Op Bank	1139599766700	100,018	100,017.50
Ainasit Primary School	Co-Op Bank	1139502952400	702,600	2,500
Meza Primary School	Co-Op Bank	1139599699700	12,443	12,442.50
Kitale Ndogo Primary School	Co-Op Bank	1139599859200	417,331	62,044
Kwanza Girls Secondary School	Co-Op Bank	1139096504002	264,377	1,038,045.50
St Peters High Sch-Kapomboi	Co-Op Bank	1139599160100	229,501	29,500.50
St Francis Kolongolo Boys High School	Co-Op Bank	1139694797700	174,667	131,492.50
St Maurice Girls High Sch-Lunyuu	Co-Op Bank	1139599905301	45,904	60,253.50
Misanga Sa Secondary School	Co-Op Bank	1139599692000	1,399,999	6,012,025.25
Gidea Boys Secondary School	Co-Op Bank	1139694825000	18,266	18,265.50
Aic Kapkai Secondary School	Co-Op Bank	1139694973000	6,406	6,406
Kapkoj Central Girls High School	Co-Op Bank	1139599756800	4,526	6,850,598.50
Soymining Secondary School	Co-Op Bank	1139599699500	203,670	203,669.50
Goseta Boys High School	Co-Op Bank	1139841153200	142,395	142,395

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
St Philips Kipsoen Secondary School	Co-Op Bank	1139694483500	202,023	185,592.50
Kaisagat Ass. Chiefs Office	Co-Op Bank	1141840849500	23,173	260,050
Misanga Asst. Chiefs Office	Co-Op Bank	1141695592000	16,739	252,025
Kapsitwet Asst. Chiefs Office	Co-Op Bank	1141840842400	17,979	259,230
Makunga Primary School	Co-Op Bank	1139502975100	15,677	15,676.50
Luuya Primary School	Co-Op Bank	1139599071500	12,194	1,401,483.50
Kapko Asst. Chiefs Office	Co-Op Bank	1141841224700	14,543	42,293
Bishop Muge Secondary School	Co-Op Bank	1120096535000	251,016	1,813.69
Koros Primary School	Co-Op Bank	1139599668100	15,638	15,637.50
Lessos Primary School	Co-Op Bank	1139599716200	54,207	23,121.50
Nasianda Primary School	Co-Op Bank	1139695040500	53,873	68,329
Kapka Primary School	Co-Op Bank	1139502235001	131,084	131,083
Leissa Primary School	Co-Op Bank	1139599038900	41,274	11,215
Lelkina Primary School	Co-Op Bank	1141841355900	8,175	87,613
Mutua Primary School	Co-Op Bank	1139694993300	59,913	138,198.50
Namandala Secondary School	Co-Op Bank	1141841358300	26,750	105,361
St Thomas Amuka Secondary School	Co-Op Bank	1139599238200	706	659,532.50
AIC Kiptuimet Secondary School	Co-Op Bank	1139841371600	408,181	982,266
Miteitei Secondary School	Co-Op Bank	1139599995200	513,121	2,847,110
ACC Bidii Division Project	Co-Op Bank	1141841978500	2,295,052	2,935,131.90
Kobos Assistant Chiefs Office	Co-Op Bank	1141841306500	245	22,819
Kapsitwet primary School	Co-Op Bank	1139502816900	153,277	1,451,187.50
Kapko RCM Primary School	Co-Op Bank	1139599421900	19,281	1,418,190.50
Kwanza Primary School	Co-Op Bank	1139502235801	25,075	1,421,472.50
Kitubo Primary School	Co-Op Bank	1139694263800	54,295	414,234.50
Kapko Police Station	Co-Op Bank	1141841988400	90,147	798,975

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EMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Biketi Primary School	Co-Op Bank	1139694982800	17,676	nil
Sarura Primary School	Co-Op Bank	1139599764600	18,731	nil
Nasianda Friends Secondary School	Co-Op Bank	1139269905100	202,881	nil
Kaisagat Primary School	Co-Op Bank	1139085193400	8,103	nil
Kapomboi Primary School	Co-Op Bank	1139599777900	1,855,877	nil
Bishop Muge Primary School	Co-Op Bank	1139599751600	30,769	nil
Marinda Primary School	Co-Op Bank	1139599581100	10,454	nil
Ngeny Primary School	Co-Op Bank	1139599038100	24,240	nil
Kobos Primary School	Co-Op Bank	1139599003800	24,633	nil
St Johns Sarura Secondary School	Co-Op Bank	1139599010700	52,721	nil
DCC Kwanza	Co-Op Bank	1141840077000	5,542	nil
Mafisi Block Primary School	Co-Op Bank	1139694297900	1,864	nil
TOTAL			43,978,309	57,665,762

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)
1.0	<p>Un reconciled Project Management Committee-Bank Account Balances</p> <p>Note 10.3 to the financial statements reflects project management committee bank account balances totalling to Kshs 27,132,854 as at 30th June 2020 and detailed under annex 4 in the financial statement. However, bank reconciliation statements in support of the bank balances were not availed for review notwithstanding the provision of chapter 5.9.2.1 of the Government Financial Regulations and Procedures requiring each and every government entity to prepare bank reconciliation for all the bank accounts maintained during the year.</p>	<p>Note 10.3 To The Financial Statement Reflects Project Management Committee Bank Account Balances amounting to Kshs 27,132,854 as at 30th June, 2021 As Disclosed in the Financial Statement. However, Bank reconciliation Statements in support of the Bank Balances were not availed for audit review but Bank Confirmation Certificates in support of the Bank Balances were availed.</p> <p>The NG CDF Management has taken</p>	<p>Responded Awaiting Clearance</p>	<p>Awaiting Clearance</p>

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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)
	Consequently, the accuracy, validity and correctness of the disclosed project management committee bank balances of Kshs. 27,132,654 could not be confirmed.	note of the requirement to Bank Reconciliation Statements in support of Project Management Committee Bank Balances and we will ensure that going forward the PMC will be required to prepare Bank Reconciliation Statements.		
2.0	<p>Budget Control And Performance. During the year under review, the Fund had an approved Budget Of Kshs 194,771,107 for both recurrent and development. During the same period, the Fund recorded a total expenditure of Kshs 120,054,539 representing 62% of the budget resulting to an under expenditure of Kshs 74,716,568.</p>	<p>The under expenditure of Kshs 74,716,568 during the Financial Year 2019/2020 by management of Kwanza NGCDF was as a result of none disbursement of all the funds by NGCDF Board at the close of the financial year. The Management Of Kwanza NG-CDF was unable to implement its budget and programmed fully as planned because</p>	<p>Responded Awaiting Clearance</p>	<p>Awaiting Clearance</p>

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)
		of delay in disbursement of funds by the NG-CDF Board. Non disbursement or delay in disbursement of funds Is beyond the control of the NG-CDFC Management. It's only the NG-CDFC Board That Is vested with the sole authority of disbursing funds to the Constituency.		
3.0	<p>Project Implementation Performance</p> <p>Scrutiny of the projects implementation status report revealed that the Fund had an approved plan to implement one thousand and fourteen (1014) projects over the seven (7) year period covering the financial years 2013/14 to 2019/20, valued at Kshs 648,451,479. However, forty six (46) projects valued at Kshs 60,556,388 had not yet started. further, eighty five (85) projects valued at Kshs</p>	<p>At the close of the Financial Year, Kwanza NG CDF had not implemented its budget and programs fully because of the delay in disbursement of funds. Some projects were not yet started because the funds for the said Projects had not been released to the constituency by the NG CDF Board. Further, on going</p>	<p>Responded Awaiting Clearance</p>	<p>Awaiting Clearance</p>

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Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame (By what time you expect the issue to be resolved)
	143,757,435 were still on going and eight hundred and eight / three (883) projects valued at Kshs 444,137,656 had been completed. Failure to complete projects as planned denies the residents of Kwanza Constituency the benefits that would have accrued from the completed projects.	projects had been allocated funds during the financial year only that at the close of the financial year, funds had not been disbursed to the constituency.		

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 Name **Joseph K.N. Rofick**
 Fund Account Manager.