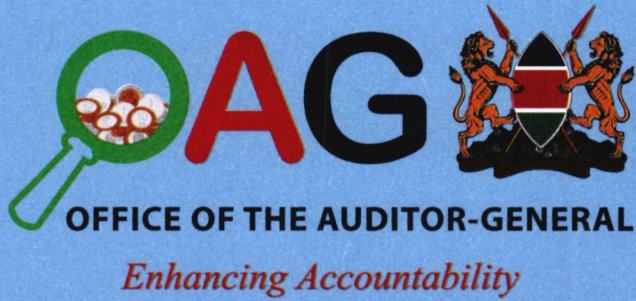


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

DATE: 02 AUG 2023

ON

TABLED
BY:

CLERK-AT
THE-TABLE:

DAY: WED
Hon Naomi Wago, MP
Deputy Majority Whip
Emlys Muriuki

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

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



TONGAREN 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)

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Krop M. Merisia
2.	Sub-County Accountant	Enos W. Kondo
3.	Chairman NGCDFC	Maurice Chagalwa
4.	Member NGCDFC	Christopher Simiyu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 214 Naitiri
Ng CDF Building
Bungoma north sub county
Headquarters Mukuyuni Market, KENYA

**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
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(f) Tongaren Constituency NGCDF Contacts

Telephone: (254) 721776554

E-mail: cdf Tongaren@go.ke

Website: www.ngcdf.go.ke

(g) Tongaren Constituency NGCDF Bankers

Cooperative Bank OF
KENYA Kimilili Branch
P.o Box
KIMILILI
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

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

II. NG-CDFC Chairman's Report



I am pleased to present the unaudited financial statements for Tongaren Constituency for the financial year ended 30th June 2022. During the year, the Constituency was allocated a total of Kshs **137,088,879** as normal allocation.

On receipt of the above allocations, Tongaren National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. It is noteworthy that during the FY 2020/2022, we received 81.8% of the

normal Constituency funding equivalent to Kshs **128,088,879** and these funds were then disbursed to projects.

Sector Prioritization

During the year, a total of Kshs **76,236,900** was allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools and tertiary institutions. The funding consisted of Kshs 21,353,010 not received during the FY 2020/2021.

Sectoral Analysis of Funding

Over the past 10 years, the Constituency has received a total of over Kshs 900M which were subsequently been disbursed to various projects in such sectors as education, security, in addition to the statutory bursary, emergency, sports, environment, administration and monitoring and evaluation votes. The funding has benefitted over 600 projects and the breakdown in terms of the number of projects funded in these leading sectors over the last two years is as hereunder provided;

Sector	2021/2022	2020/21	2019/20	2018/19	Total
Primary Schools	5	29	29	21	84
Secondary Schools	21	20	20	17	78
Tertiary Institutions	1	2	1	2	6
Security	4	6	4	3	17
Total Number Funded	31	54	54	43	185

**Tongaren Constituency
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Sector	PERCENTAGE OF PROJECTS FUNDED PER SECTOR
Primary Schools	49%
Secondary Schools	41%
Tertiary Institutions	3%
Security	8%

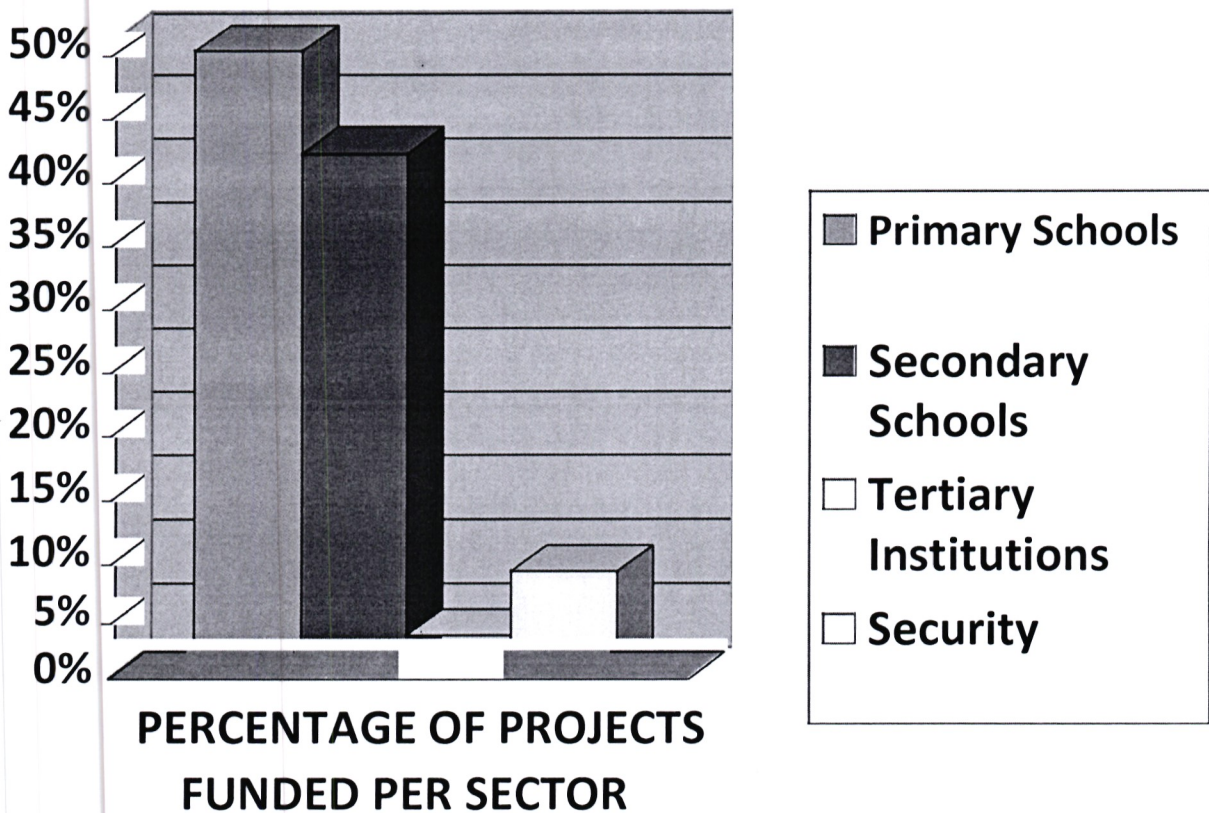
Source: Tongaren NGCDF Records (2022)

It is therefore notable that within the education sector, primary schools have realized the highest number of projects funded in the Constituency followed by secondary schools, security and finally tertiary institutions. Overall, the ranking based on highest number projects funded over the period is has primary Schools as the leading sector followed by secondary Schools, security and finally tertiary Institutions.

The NG-CDF (Amendment) Act 2016 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other national government residual functions.

Achievements and Major Undertakings

During the year, the Committee disbursed a total of Kish's **55,616,384** as bursary to needy students



in secondary, tertiary institutions and special institutions and this benefitted over 5000 students. Major physical facilities funded are infrastructure such as classrooms, twin laboratories, dormitories, and libraries. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low-income families.

Major undertakings

- A follow up to be made to all ongoing projects which are slow in implementation to ensure all projects are completed as scheduled.
- All projects with challenges a follow up to be made to ensure that the issues are resolved to allow the implementation of the projects to continue.
- All projects which are completed should be commissioned officially and handed over to the respective departments.
- The contractor's to ensure that they comply with the terms of agreement



Friends Secondary School- Musembe

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Ongoing construction of twin lab at **Nakoba Friends Secondary School**



Complete dining hall at Bishop Atundo Girls Secondary School



Ongoing Construction of storeyed twin laboratory of 90 students capacity at Milimani Secondary School

Emerging Issues

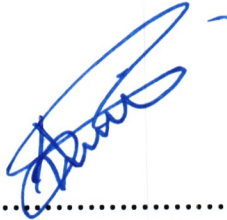
There aren't much issues witnessed by NGCDFC Tongaren during the financial year except for the rollout of new curriculum, the Competence Based Curriculum. This new curriculum has brought major changes especially on project implementation that is geared towards meeting the standards set out by CBC. The NGCDFC has welcomed the new curriculum and offers to support where necessary to ensure that each and every child's right to education is protected.

Challenges

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2021/2022. These encompass failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed. To mitigate the above, the committee during the year 2021/2022 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and NGCDFC staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improved overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2022/2023. We have also engaged technical officers from Bungoma County comprising of Supply Chain Management officer and Public works officers. This has greatly helped improve on compliance as far as procurement laws are concerned.

I therefore wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees, technical officers and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions to even perform better and attain better assessments in its performance targets for FY 2022/2023.

*Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
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**MAURICE CHANGALWA
CHAIRMAN NGCDF COMMITTEE**

BI. 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 *Tongaren Constituency 2018-2022* plan are to:

- a) To increase enrolment level in schools
- b) To reduce illiteracy level
- c) To reduce school drop outs
- d) To improve the quality of education
- e) To increase access to health care
- f) To expand economic opportunities
- g) To reduce social evil

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 have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	The bursary beneficiaries increased by over 4500 in the current year for the tertiary institutions. We also purchased three 51 seater buses for secondary schools and constructed over 20 twin labs in several schools in Tongaren constituency. The NGCDFC is also implementing

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Constituency Sector	Objective	Outcome	Indicator	Performance
				the construction of ICT cum Library block at Tongaren KMTC to facilitate the opening of the college that will benefit the community greatly.
Security	To have safe and secure environment for business, learning and where the residents go about their lives without fear for their lives and properties	Decrease in the number of insecurity related incidents. Improved security and more secure business environment	No. of usable physical infrastructure built in the security sector. Police stations, chief's offices built.	In the FY 2021/2022 we have increased number of physical infrastructure in the security sector from fifteen to nineteen.
Sports	To nurture sporting talent, this pillar also makes special provision for Kenyans with various disabilities and previously marginalized communities	Increased engagement and persons earning a decent living from exploiting their sporting talent. Reduced unemployment rate amongst the youth.	No. of youth, women and person living with disabilities taking up sporting activities.	We purchased over 1,000 sports kits and uniforms for 20 schools across the constituency.
Environment	To have well conserved and clean environment	Increased planting of trees across the school in the constituency	No. of trees planted in public primary and secondary schools	We increased number of trees planted to 400 during the FY 2021/2022

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Tongaren NG-CDF exists to transform lives and livelihood of the people of Tongaren. 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 Tongaren NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Tongaren 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; Tongaren NG-CDF 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, Tongaren 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:** Tongaren 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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

As climate issues intensify, Tongaren NG-CDF operations and people are helping to create a sustainable future, based on policy that reduces the organization climate related issues. This policy is evident in among others: The successful planting of trees in various schools in the constituency

3. Employee welfare

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

Tongaren 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 interests

5. Community Engagements-

Tongaren 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

Tongaren Constituency
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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.

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



.....
Krop Merisia
Fund Account Manager

IV. 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-TONGAREN 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- TONGAREN 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- TONGAREN 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.

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

The Accounting Officer in charge of the NGCDF TONGAREN 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- TONGAREN Constituency financial statements were approved and signed by the Accounting Officer on 19/9 2022.



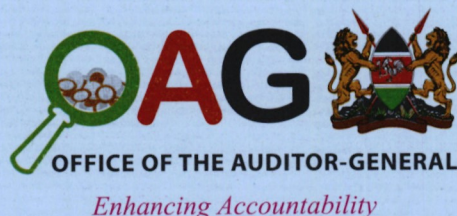
.....
Maurice Chagalwa
Chairman – NGCDF Committee



.....
Krop Merisia
Finance Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TONGAREN 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 Control, 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

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Tongaren Constituency set out on pages 1 to 50 which comprise of the statement of assets and liabilities as at 30 June, 2022, and the

statement of receipts and payments, statement of cash flows and 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Tongaren Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Tongaren Constituency Management in accordance with ISSAI 130 on the 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 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.

Budgetary Control and Performance

The summary statement of appropriation for the year ended 30 June, 2022 reflects receipts final budget of Kshs.202,522,997 and actual on comparable basis of Kshs.173,177,758, resulting in a shortfall in disbursements of Kshs.29,345,238 or 14 % of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and 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 comply, 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 CONTROL, 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 International Standards for Supreme Audit Institutions (ISSAIs) 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls.
- 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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 controls 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

10 July, 2023

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

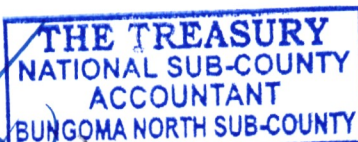
**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	173,177,758	131,367,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		173,177,758	131,367,724
Payments			
Compensation Of Employees	4	1,907,843	2,440,846
Use Of Goods and Services	5	7,528,093	8,321,900
Transfers To Other Government Units	6	103,879,188	63,501,590
Other Grants and Transfers	7	68,722,536	29,418,152
Acquisition Of Assets	8	-	4,797,000
Other Payments	9	-	11,689,200
Total Payments		182,037,660	120,132,903
Surplus/(Deficit)		<u>(8,859,901)</u>	<u>11,234,821</u>

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 19/9 2022 and signed by:



Fund Account Manager

Name: Krop Merisia

National Sub-County Accountant

Name: Enos Kondoa
ICPAK M/No:

Chairman NG-CDF Committee

Name: Maurice Chagalwa

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

VII. 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	11,485,337	20,345,324
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		11,485,337	20,345,324
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		11,485,337	20,345,324
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		11,485,337	20,345,324
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	20,345,239	9,110,503
Prior year adjustments	14	-	-
Surplus/Defict for the year		(8,859,902)	11,234,821
NET FINANCIAL POSITION		11,485,337	20,345,324

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

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

The Constituency financial statements were approved on 19/9 2022 and signed by:



Fund Account Manager
Name: Krop Merisia



National Sub-County
Accountant
Name: Enos Kondoa
ICPAK M/No:

Chairman NG-CDF Committee
Name: Maurice Chungalwa

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

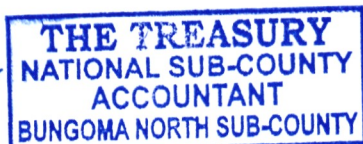
III. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	173,177,758	131,367,724
Other Receipts	3	-	-
Total Receipts		173,177,758	131,367,724
Payments			
Compensation Of Employees	4	1,907,843	2,440,846
Use Of Goods and Services	5	7,528,093	8,321,900
Transfers To Other Government Units	6	103,879,188	63,501,590
Other Grants and Transfers	7	68,722,536	29,382,452
Other Payments	9	-	11,689,200
Total Payments		(182,037,660)	(115,335,903)
Total Receipts Less Total Payments		(8,859,901)	16,031,821
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(8,859,901)	16,031,821
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	(4,797,000)
Net Cash Flows from Investing Activities		-	(4,797,000)
Net Increase In Cash And Cash Equivalent		(8,859,901)	11,234,821
Cash & Cash Equivalent At Start Of The Year	10	20,345,324	9,110,503
Cash & Cash Equivalent At End Of The Year	10	<u>11,485,337</u>	<u>20,345,324</u>

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

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 19/9 2022 and signed by:



A blue ink handwritten signature, appearing to be "Krop Merisia", written over a horizontal line.

Fund Account Manager

Name: Krop Merisia

A blue ink handwritten signature, appearing to be "Enos Kondoa", written over a horizontal line.

National Sub-County
Accountant
Name: Enos Kondoa
ICPAK M/No:

A blue ink handwritten signature, appearing to be "Maurice Chagalwa", written over a horizontal line.

Chairman NG-CDF Committee

Name: Maurice Chagalwa

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

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

IX. Summary Statement of Appropriation for the Year Ended 30th June 2022

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	b	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
Receipts								
	2021/2022				2021/2022	30/06/2022		
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879		20,345,324	45,088,879	202,522,997	173,177,758	29,345,238	85.5%
Proceeds From Sale of Assets	-		-	-	-	-	-	
Other Receipts	-		-	-	-	-	-	
Totals	137,088,879		20,345,324	45,088,879	202,522,997	173,177,758	29,345,238	85.5%
Payments								
Compensation Of Employees	2,161,938		-	-	2,161,938	1,907,843	254,095	88.2%
Use Of Goods and Services	6,016,722		1,935,836	-	7,952,558	7,528,093	424,465	94.7%
Transfers To Other Government Units	76,236,900		15,000,000	21,353,010	112,589,910	103,879,188	8,710,722	92.3%
Other Grants and Transfers	43,673,319		3,099,403	23,735,869	70,508,591	68,722,536	1,786,055	97.5%
Acquisition Of Assets	-		3000	-	0	-	-	0.0%
Other Payments	-		310,800	-	310,000	-	310,000	0.0%
-Funds Pending Approval**	9,000,000		-	-	9,000,000	-	9,000,000	0.0%
Totals	137,088,879		20,345,324	45,088,879	202,522,997	182,037,660	20,485,337	89.9%

****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.**

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

- a) The percentage utilisation of the 2020-2021 budget stood at 85.5% which is a positive deviation of 12.8% from last year's (2020-2021 FY) percentage utilization. This was as a result of delayed funding of the 2020-2021 budget by the NGCDF board. At the close of the 2021-2022 financial year, Kshs. **9,000,000** for Tongaren Constituency NGCDF was yet to be disbursed from the Board.
- b) the underutilization of compensation to employees which stands at 88.2% was as a result of delayed payment of salaries for the month of June 2022.
- c) The increase in the original budget is represented by the unutilised funds carried forward from the previous financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	20,485,337
Less undisbursed funds receivable from the Board as at 30 th June 2022	9,000,000
	11,485,337
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	11,485,337

The Constituency financial statements were approved on 19/9 2022 and signed by:

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



[Handwritten Signature]

Fund Account Manager

Name:



[Handwritten Signature]

National Sub-County Accountant

Name:

ICPAK M/No:

[Handwritten Signature]

Chairman NG-CDF Committee

Name:

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 Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,161,938	-	-	2,161,938	1,907,843	254,095
1.2 Committee allowances	1,280,642	850,000	-	2,130,642	2,130,642	-
1.3 Use of goods and services	1,849,161	1,085,836	-	2,934,997	2,510,532	424,465
TOTAL	5,291,741	1,935,836	-	7,227,577	6,549,017	678,560
2.0 Monitoring and evaluation						
2.1 Capacity building	886,919	-	-	886,919	886,919	-
2.2 Committee allowances	1,000,000	-	-	1,000,000	1,000,000	-
2.3 Use of goods and services	1,000,000	-	-	1,000,000	1,000,000	-
TOTAL	2,886,919	-	-	2,886,919	2,886,919	-
3.0 Emergency						
3.1 Primary Schools	7,192,207	-	-	7,192,207	6,578,806	613,401
3.2 Secondary schools						
3.3 Tertiary institutions						
TOTAL	7,192,207	-	-	7,192,207	6,578,806	613,401
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	12,000,000	-	5,650,916	17,650,916	17,650,916	-
4.3 Tertiary Institutions	17,781,112	3,099,403.00	9,971,043	30,851,558	30,851,558	-

**Tongaren 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 Years' Outstanding Disbursements			
4.4 Special Needs	2,000,000	-	5,816,920	7,816,920	7,816,920	-
TOTAL	31,781,112	3,099,403	21,438,879	56,319,394	56,319,394	-
5.0 Sports						
5.1	2,000,000	-	-	2,000,000	2,000,000	-
5.2						
TOTAL	2,000,000	-	-	2,000,000	2,000,000	-
6.0 Environment						
Binyema primary	100,000	-	-	100,000	100,000	-
Bituyu primary	100,000	-	-	100,000	100,000	-
Bungoma North TTI	100,000	-	-	100,000	100,000	-
KMTC Tongaren	100,000	-	-	100,000	100,000	-
Lunao primary	100,000	-	-	100,000	100,000	-
Makhonge primary	100,000	-	-	100,000	100,000	-
Maliki mixed secondary	100,000	-	-	100,000	100,000	-
Mashinani primary	100,000	-	-	100,000	100,000	-
Mfupi primary	100,000	-	-	100,000	100,000	-
Musembe primary	100,000	-	-	100,000	100,000	-
Namatore FPK primary	100,000	-	-	100,000	100,000	-
Narati RC primary	100,000	-	-	100,000	100,000	-
Nyange PAG primary	100,000	-	-	100,000	100,000	-
Nzoia FYM primary	100,000	-	-	100,000	100,000	-
Pwani primary	100,000	-	-	100,000	100,000	-

**Tongaren 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 Years' Outstanding Disbursements			
RGC Namawanga secondary	100,000	-	-	100,000	100,000	-
SA Sango primary	100,000	-	-	100,000	100,000	-
Sirakaru secondary	100,000	-	-	100,000	100,000	-
St Annes Sigalame secondary	100,000	-	-	100,000	100,000	-
Tabani primary	100,000	-	-	100,000	100,000	-
Total	2,000,000	-	-	2,000,000	2,000,000	-
7.0 Primary Schools Projects (List all the Projects)						
Makhanga primary	1,500,000.00	-	1,500,000	3,000,000	3,000,000	-
Mitua primary	3,000,000.00	-	1,500,000	4,500,000	4,500,000	-
Ndalu primary	1,500,000.00	-	1,500,000	3,000,000	3,000,000	-
Tabani primary	1,000,000.00	-	-	1,000,000	1,000,000	-
Kakamwe primary		-	1,500,000	1,500,000	1,500,000	-
mlimani primary		-	1,500,000	1,500,000	1,500,000	-
Tongaren DEB primary		-	1,500,000	1,500,000	1,500,000	-
Total	7,000,000	-	9,000,000	16,000,000	16,000,000	-
8.0 Secondary Schools Projects (List all the Projects)						
James Mwei secondary	1,400,000.00	-	-	1,400,000	1,400,000	-
Kakamwe secondary	1,000,000.00	-	-	1,000,000	1,000,000	-
Kewa secondary	1,500,000.00	-	-	1,500,000	1,500,000	-
Milele secondary	1,500,000.00	-	-	1,500,000	1,500,000	-

**Tongareva 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 Years' Outstanding Disbursements			
Muliro secondary	1,500,000.00	-	-	1,500,000	1,500,000	-
Musembe secondary	7,262,300.00	-	-	7,262,300	7,262,300	-
Nabingsenge secondary	1,500,000.00	-	-	1,500,000	1,500,000	-
Nakoba secondary	1,500,000.00	-	-	1,500,000	1,500,000	-
Ndalu secondary	1,500,000.00	-	-	1,500,000	1,500,000	-
Sirakarua secondary	9,762,300.00	-	-	9,762,300	2,500,000	7,262,300
St Marys Mwikihupo secondary	1,500,000.00	-	-	1,500,000	1,500,000	-
Tongareva DEB secondary	9,762,300.00	-	-	9,762,300	2,500,000	7,262,300
Bishop Atudo secondary	1,500,000.00	-	1,000,000	2,500,000	2,500,000	-
Bunambo secondary	1,300,000.00	-	-	1,300,000	1,300,000	-
Kiminiini friends secondary	1,150,000.00	-	1,650,000	2,800,000	2,800,000	-
Lungai secondary	2,500,000.00	-	1,500,000	4,000,000	4,000,000	-
Mlimani secondary	1,200,000.00	-	2,500,000	3,700,000	3,700,000	-
Mitua girls	1,400,000.00	-	2,000,000	3,400,000	3,400,000	-
Nabisuwa secondary	2,500,000.00	-	1,500,000	4,000,000	4,000,000	-
Nyange secondary	2,500,000.00	-	1,500,000	4,000,000	4,000,000	-
RGC Namawanga secondary	2,500,000.00	-	1,500,000.00	4,000,000	4,000,000	-
St Patrick Naitiri Boys	-	-	1,000,000.00	1,000,000	1,000,000	-
Total	56,236,900	-	14,150,000	70,386,900	55,862,300	14,524,600
9.0 Tertiary institutions Projects (List all the Projects)						

**Tongaren 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 Years' Outstanding Disbursements			
KMTC Tongaren	13,000,000	15,000,000.00	-	28,000,000	32,641,224	(4,641,224)
Total	13,000,000	15,000,000.00	-	28,000,000	32,641,224	(4,641,224)
10.0 Security Projects						
Soysambu chiefs office	700,000	-	-	700,000	700,000	-
Milima Chiefs Office.	-	-	500,000	500,000	500,000	-
Total	700,000	-	500,000	1,200,000	1,200,000	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
Digital schools Aid	-	310,000.00	-	310,000	-	310,000.00
Total	-	310,000	-	310,000	-	310,000
Funds pending approval**	9,000,000			9,000,000		9,000,000
Total	137,088,879	20,345,239	45,088,879	202,522,997	182,037,660	20,485,337

(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- TONGAREN 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 30th June 2021 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 Allocation		
AIE NO. B 034577		5,000,000
AIE NO. B104682		20,000,000
AIE NO. B124711		9,000,000
AIE NO. B104965		14,367,724
AIE NO. B119666		8,500,000
AIE NO. B119705		12,000,000
AIE NO. B128298		6,900,000
AIE NO. B132058		6,000,000
AIE NO. B132352		6,000,000
AIE NO. B126021		13,000,000
AIE NO. B126313		7,000,000
AIE NO. B105108		11,600,000
AIE NO. B105111		12,000,000
AIE NO. B 047450	45,088,879	
AIE NO. B 041290	44,000,000	
AIE NO. B 047710	22,000,000	
AIE NO. B 049297	12,000,000	
AIE NO. B 104322	12,000,000	
AIE NO. B 096578	5,000,000	
AIE NO. B	18,000,000	
AIE NO. B155501	15,088,879	
TOTAL	173,177,758	131,367,724

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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	-	-
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	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

Tongaren Constituency
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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,907,842.54	2,355,166
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	85,000
Total	1,907,843	2,440,846

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	2,232,000	2,009,250
Utilities, supplies and services	268,310	54,991
Electricity	31,068	10,000
Communication, supplies and services	9,450	-
Domestic travel and subsistence	-	688,680
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	300,000	314,500
Hospitality supplies and services	227,899	1,006,289
Other committee expenses	-	-
Committee allowance	1,363,925	1,327,500
Fuel Oil and lubricants	1,200,000	750,000
Bank service commission and charges	321,545	-
Office and general supplies and services	867,250	1,060,099
Other operating expenses	-	497,900
Routine maintenance – vehicles and other transport equipment	706,646	602,691
Routine maintenance – other assets	-	-
Total	7,528,093	8,321,900

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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	16,000,000	13,151,590
Transfers To Secondary Schools (See Attached List)	55,862,300	20,350,000
Transfers To Tertiary Institutions (See Attached List)	32,016,888	30,000,000
Total	103,879,188	63,501,590

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	17,650,916	2,052,000
Bursary – tertiary institutions (see attached list)	29,085,394	16,003,000
Bursary – special schools (see attached list)	7,816,920	1,001,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	3,700,000	700,000
Sports projects (see attached list)	1,960,000	1,979,000
Environment projects (see attached list)	1,930,500	3,977,000
Emergency projects (see attached list)	6,578,806	3,670,452
Total	68,722,536	29,382,452

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	4,797,000
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	4,797,000

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Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	11,689,200
	-	11,689,200

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	11,485,337	20,345,239
<i>Name Of Bank, Account No.</i>	-	-
Total	11,485,337	20,345,239
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

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

Notes to the Financial Statement Continued

Tongaren Constituency
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12A. Retention

	2021-2022	2020-2021
	KShs	KShs
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

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

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	20,345,239	9,110,503
Cash in hand	-	-
Imprest	-	-
Total	20,345,239	9,110,503

[Provide short appropriate explanations as necessary]

Tongaren Constituency
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14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	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	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	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-B	-	-

**Tongaren Constituency
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Notes to the Financial Statements (Continued)

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	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	254,095	850,801
Use of goods and services	424,465	1,085,920
Amounts due to other Government entities (see attached list)	8,710,722	51,498,410
Amounts due to other grants and other transfers (see attached list)	1,786,055	11,685,272
Acquisition of assets	-	3,000
Others(<i>specify</i>)	310,800	310,800
Funds pending approval	9,000,000	-
Total	20,485,337	65,434,203

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	-	-
Total	5,306,823-	62,936,900-

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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.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		254,095	850,000	
Use of goods & services			1,085,920	
Amounts due to other Government entities		424,465		
Tongaren DEB Secondary School	Purchase of 51 seater school bus	7,262,300		
Sirakaru Secondary School	Purchase of 51 seater school bus	7,262,300		
KMTC Tongaren	Erection of ICT and Library block	(5813878)		
Digital Schools Aid	Purchase of computers		310,000	
Mitua Girls Secondary School	Construction of twin laboratories		2,000,000	
Kibisi Sec School	Construction of twin laboratories		2,000,000	
Lungai Sec School	Construction of twin laboratories		1,500,000	
Milima Sec Schhol	Construction of twin laboratories		2,500,000	
Nabiswa Sec School	Construction of twin laboratories		1,500,000	
Nyange Sec School	Construction of twin laboratories		1,500,000	
RGC Namawanga Sec Shool	Construction of twin laboratories		1,500,000	
St. Kizito Sirende Sec School	Construction of twin laboratories		1,000,000	
Lunyu Sec School	Construction of twin laboratories		1,000,000	
Kiminini Friends Sec School	Construction of twin laboratories		1,650,000	
Milimani Secondary School	Construction of twin laboratories		1,000,000	

**Tongaren Constituency
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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
RGC Namawanga Sec Shool	Construction of twin laboratories		1,500,000	
KMTC Tongaren	Purchase of land for KMTC		5,000,000	
Mitua Girls Secondary School	Construction of twin laboratories		2,000,000	
Kibisi Sec School	Construction of twin laboratories		2,000,000	
Lungai Sec School	Construction of twin laboratories		1,500,000	
Milima Sec Schhol	Construction of twin laboratories		2,500,000	
Nabiswa Sec School	Construction of twin laboratories		1,500,000	
Nyange Sec School	Construction of twin laboratories		1,500,000	
RGC Namawanga Sec Shool	Construction of twin laboratories		1,500,000	
St. Kizito Sirende Sec School	Construction of twin laboratories		1,000,000	
Lunyu Sec School	Construction of twin laboratories		1,000,000	
Amounts due to other grants and other transfers				
Bursary		1,063,154	18,538,282	
Emergency sports		613,401	-	
Sub-Total		1,786,055	18,538,282	
Acquisition of assets			3,000	
Others (<i>specify</i>)		310,800		

**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Sub-Total				
Funds pending approval		9,000,000		
Grand Total		20,485,422	65,434,203	

**Tongaren Constituency
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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	-	-	-	-
Buildings and structures	6,500,000	-	-	6,500,000
Transport equipment	10,351,490	-	-	10,351,490
Office equipment, furniture and fittings	374,690	-	-	374,690
ICT Equipment, Software and Other ICT Assets	513,500	-	-	513,500
Other Machinery and Equipment	15,000	-	-	15,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	17,754,680	-	-	17,754,680

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

PMC	Bank	Account number	Date Of Opening	Bank Balance 2021/22	Bank Balance 2020/21
BISHOP PHILIP ANYOLO SEC SCH	CO- OPERATIVE	01139599967900	11/5/2015	14,617	1,000,000
BUNAMBO SEC SCH	CO- OPERATIVE	01141470583400	6/5/2014	5,629	1,300,000
FRIENDS SEC SCH MUSEMBE	CO- OPERATIVE	01141470394800	24/01/2014	12,772	7,262,300
KEWA SEC SCH	CO- OPERATIVE	01141687673300	9/7/2016	16,722	1,500,000
LUNGAI SECONDARY SCHOOL	CO- OPERATIVE	01139469235600	15/02/2013	211,800	2,500,000
NABINGENGE FRIENDS SEC SCH	CO- OPERATIVE	01141644173500	5/1/2022	264,471	1,500,000
NABISWA SECONDARY SCHOOL	CO- OPERATIVE	01141470585900	9/5/2014	652,114	2,500,000
NAKOBA SECONDARY SCHOOL	CO- OPERATIVE	01141688399300	1/8/2018	48,695	1,500,000
NAMAWANGA RGC SEC SCH	CO- OPERATIVE	01141745911900	21/8/2021	678,975	2,500,000
SIRAKARU S.A SEC SCH	CO- OPERATIVE	01139469235500	15/2/2013	6,660	9,762,300
TONGAREN DEB SEC SCH	CO- OPERATIVE	01141687674200	11/7/2016	2,232	9,762,300
FRIENDS KIMININI SEC SCH	CO- OPERATIVE	01139599580403	21/6/16	186,632	1,150,000
MAKHANGA S.A PRI	CO- OPERATIVE	01139050345701	5/12/2013	884	1,500,000
MILELE SEC SCHOOL	CO- OPERATIVE	01141694496300	29/12/2021	12,735	1,500,000
MILIMANI SECONDARY SCHOOL	CO- OPERATIVE	01139502061400	15/2/2013	1,849,859	1,200,000
MITUA GIRLS SECONDARY SCH	CO- OPERATIVE	01139085301203	13/5/2014	4,578	1,400,000

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PMC	Bank	Account number	Date Of Opening	Bank Balance 2021/22	Bank Balance 2020/21
MITUA PRI	CO- OPERATIVE	01139502937100	6/12/2013	16,102	2,000,000
NDALU PRI	CO- OPERATIVE	01139269431901	7/5/2014	4,365	1,500,000
NYANGE PAG SEC	CO- OPERATIVE	01139269718202	6/11/2013	1,025,037	2,500,000
ST MARYS MWIKHUPO SEC SCH	CO- OPERATIVE	01139599221202	12/5/2015	26,551	1,500,000
ST. PETERS SEC SCH NDALU	CO- OPERATIVE	01139694808600	5/7/2016	18,133	1,500,000
TABANI FYM PRI SCH	CO- OPERATIVE	01141923868300	23/11/2021	1,735	1,000,000
BISHOP ATUNDO SEC SCH MABUSI	KCB	1115343688	20/4/2009	2,194	1,500,000
MULIRO SECONDARY SCHOOL	KCB	1236799518	6/8/2018	149,121	1,500,000
AIC JAMES MWEI SEC	KCB	1111712336	22/4/2009	40,735	1,400,000
SOYSAMBU CHIEFS OFFICE	CO- OPERATIVE	01141644173600	8/1/2022	53,475	700,000
				5,306,823	62,936,900

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REF:WRO/2020-2021-1-01-0224-09/NGCDF Tongaren	<p>Observation</p> <p>(i) The Management did not provide trial balance relating to the NG,CDF, for the financial year 2020/2021.The source and accuracy of the information contained in the financial statements could therefore not be ascertained.</p> <p>(ii) The Cover page at the top right corner is indicating Revised Template 30th June 2021 of which should not be reflected.</p> <p>(iii) The table of Contents, introduction to the independent Auditors page of which should be in roman page numbering is numbered in as page 1-20. Page 1 should start from the statement of Receipts and payments to the end of the financial statements and the Independents Auditors page 20 and 21 should not have any report. Therefore the statement of receipts should start on it sheet of paper.</p> <p>(iv) The statement of receipt and payments, statement of assets and liabilities and statement of Cashflows refers to notes without any transactions both in the current year of audit and the previous year. - Note 2, 3,11,12A, 12B,14,15,and 16.</p> <p>(v) Note 5,6,7,8,9 of the statement of receipts and payments and cashflow statements in the financial statements, figure for use of goods and services, transfer to other Government units,other grants and transfers,acquisitions of assets and other payments as</p>	The financial statement has already been amended	Resolved	31/7/2022

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																																			
	<p>indicated below do not correspond to relevant notes as indicated below.</p> <table border="1" data-bbox="475 801 1345 1727"> <thead> <tr> <th>Component</th> <th>Note</th> <th>Statement of Receipts & Payment</th> <th>Financial statements Notes</th> <th>Variance</th> </tr> <tr> <td></td> <td>No</td> <td>Kshs.</td> <td>Kshs.</td> <td>Kshs.</td> </tr> </thead> <tbody> <tr> <td>Use of Goods and Services</td> <td>5</td> <td>8,321,816</td> <td>5,194,836</td> <td>3,126,980</td> </tr> <tr> <td>Transfer to Other Government Units</td> <td>6</td> <td>63,501,590</td> <td>93,942,680</td> <td>-30,441,090</td> </tr> <tr> <td>Other Grants and Transfers</td> <td>7</td> <td>29,453,852</td> <td>27,358,388</td> <td>2,095,464</td> </tr> <tr> <td>Acquisition of Assets</td> <td>8</td> <td>4,797,000</td> <td>52,130,000</td> <td>-47,333,000</td> </tr> <tr> <td>Other Transfers</td> <td>9</td> <td>11,689,200</td> <td>0</td> <td>11,689,200</td> </tr> </tbody> </table>	Component	Note	Statement of Receipts & Payment	Financial statements Notes	Variance		No	Kshs.	Kshs.	Kshs.	Use of Goods and Services	5	8,321,816	5,194,836	3,126,980	Transfer to Other Government Units	6	63,501,590	93,942,680	-30,441,090	Other Grants and Transfers	7	29,453,852	27,358,388	2,095,464	Acquisition of Assets	8	4,797,000	52,130,000	-47,333,000	Other Transfers	9	11,689,200	0	11,689,200			
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**Tongaren Constituency
National Government Constituencies Development Fund (NGCCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																																																												
	<p>A review of statement of receipts and payments for the year ended 30 June 2021 reflects payments totaling to Kshs. 120,132,903. However, a review of respective general ledgers/Schedules and notes to the financial statements reveals unexplained variances as detailed in the table below:-</p> <table border="1" data-bbox="507 840 1418 1742"> <thead> <tr> <th>Vote head</th> <th>Figures in the Audited Financial Statements</th> <th>Figures in the Schedule/Ledger Kshs</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Compensation of employees</td> <td>2,345,606</td> <td>2440846</td> <td>(95,240)</td> </tr> <tr> <td>SUB-TOTAL</td> <td>2,345,606</td> <td>2,440,846</td> <td>(95,240)</td> </tr> <tr> <td>Use of Goods and Services</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Utilities, supplies and services</td> <td>-</td> <td>54,191</td> <td>(54,191.00)</td> </tr> <tr> <td>Electricity</td> <td>20,000</td> <td>10,000</td> <td>10,000.00</td> </tr> <tr> <td>Communication, supplies and services</td> <td>54,990</td> <td>-</td> <td>54,990.00</td> </tr> <tr> <td>Domestic travel and subsistence</td> <td>272,000</td> <td>688,680</td> <td>(416,680)</td> </tr> <tr> <td>Training expenses</td> <td>350,000</td> <td>314,500</td> <td>35,500.00</td> </tr> <tr> <td>Hospitality supplies and services</td> <td>-</td> <td>1,006,205</td> <td>(1,006,205)</td> </tr> <tr> <td>Other committee expenses</td> <td>-</td> <td>2,009,250</td> <td>(2,009,250)</td> </tr> <tr> <td>Committee allowance</td> <td>169,000</td> <td>1,327,500</td> <td>(1,158,500.00)</td> </tr> <tr> <td>Insurance costs</td> <td>435,000</td> <td>-</td> <td>435,000</td> </tr> <tr> <td>Office and general supplies and services</td> <td>-</td> <td>1,060,899</td> <td>(1,060,899)</td> </tr> <tr> <td>Fuel, oil &</td> <td>1,350,000</td> <td>750,000</td> <td>600,000</td> </tr> </tbody> </table>	Vote head	Figures in the Audited Financial Statements	Figures in the Schedule/Ledger Kshs	Variance	Compensation of employees	2,345,606	2440846	(95,240)	SUB-TOTAL	2,345,606	2,440,846	(95,240)	Use of Goods and Services				Utilities, supplies and services	-	54,191	(54,191.00)	Electricity	20,000	10,000	10,000.00	Communication, supplies and services	54,990	-	54,990.00	Domestic travel and subsistence	272,000	688,680	(416,680)	Training expenses	350,000	314,500	35,500.00	Hospitality supplies and services	-	1,006,205	(1,006,205)	Other committee expenses	-	2,009,250	(2,009,250)	Committee allowance	169,000	1,327,500	(1,158,500.00)	Insurance costs	435,000	-	435,000	Office and general supplies and services	-	1,060,899	(1,060,899)	Fuel, oil &	1,350,000	750,000	600,000	<p>The un-reconciling variances have since been corrected</p>	<p>Resolved</p>	<p>31/7/2022</p>
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**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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)
	Lubricants							
	Other operating expenses (Security Operations)	1,500,000	497,900		1,002,100			
	Bank service commission and charges	46,940	-		46,940			
	Routine maintenance – vehicles and other transport equipment	996,905	602,691		394,214			
	SUB-TOTAL	5,194,835	8,321,816		(3,126,981)			
	Transfers to other government entities							
	Transfers to Primary Schools	7,500,000	13,151,590		(5,651,590)			
	Transfers to Secondary Schools	30,000,000	20,350,000		9,650,000			
	Transfers to Tertiary Institutions	56,442,680	30,000,000		26,442,680			
	SUB-TOTAL	93,942,680	63,501,590		30,441,090			
	Other grants and Other payments							
	Bursary – Secondary	2,439,000	2,052,000		387,000			
	Bursary – Tertiary	15,154,948	16,003,000		(848,052)			
	Bursary- Special Schools	2,030,590	1,001,000		1,029,590			
	Social Security programmes(NHIF)	17,850	-		17,850			
	Security Projects	3,000,000	700,000		2,300,000			
	Sports Projects	2,000,000	1,979,000		21,000.00			
	Environment Projects	2,000,000	3,977,000		(1,977,000)			

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

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)
	Emergency Projects	716,000	3,670,452	(2,954,452)			
	SUB-TOTAL	27,358,388	29,382,452	(2,024,064)			
	<p>No explanation or reconciliation was provided for the unexplained variances. Consequently, the accuracy of the reported figures on Compensation of employees, Use of Goods and Services Transfers to other government entities and Other grants and Other payments could not be confirmed Expenditure on Social Security programmes(NHIF) was wrongly posted under other grants and other payments instead of Compensation of employees. No satisfactory explanation was given to us for such miss-posting.</p>						
	<p>The statement of assets and liabilities indicates bank balance of Kshs.20,345,323 as at 30 June 2021 being the cash book balance. However, audit review procedure performed on the bank reconciliation statement for the month of June 2021 revealed unrepresented cheques totalling to Kshs.388,000 relating to the period between March 2021 to May 2021 were not confirmed when there were cleared since no support documents were availed. No reason was however provided for non-clearance of these stale cheques from the cashbook which have an effect of distorting the cash balance as at 30 June 2021.</p>				The unrepresented cheques which are stale have since been replace and cheques presented	Resolved	31/7/2022
	<p>Included in the <i>use of goods and services</i> figure of Kshs. 8,321,816 is expenditure of Kshs.30 Million in respect of purchase of land for Kenya Medical Training College-Tongaren Campus</p>				The case of KMTC Tongaren purchase of land was a case of willing seller and	uresolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																				
	<p>under transfers to tertiary institutions as disclosed in note 6 to the financial statement. Payments were made to Mr. James Osiako Ingutia as detailed in the table below during financial year under review:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 15%;">Tertiary institution</th> <th style="width: 15%;">PAYEE</th> <th style="width: 15%;">DATE</th> <th style="width: 15%;">CHECK NO</th> <th style="width: 40%;">AMOUNT</th> </tr> </thead> <tbody> <tr> <td>KMTC - Tongaren</td> <td>James Osiako Ingutia</td> <td>3/16 /2021</td> <td>9170</td> <td style="text-align: right;">20,000,000.00</td> </tr> <tr> <td>KMTC - Tongaren</td> <td>James Osiako Ingutia</td> <td>8/24 /2020</td> <td>8627</td> <td style="text-align: right;">10,000,000.00</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">TOTAL</td> <td style="text-align: right;">30,000,000.00</td> </tr> </tbody> </table> <p>However, the following anomalies were noted:</p> <ul style="list-style-type: none"> a) The payment was made direct to the seller (Mr. James Osiako Ingutia) instead of transferring the amount to respective PMC account. No valid reason/satisfactory explanation was given to us for such omission. b) It was not clear how the vendor was identified since there were no quotations availed for audit review. c) No evidence of requisition/ proposal from Ward Project Management Committee availed for audit verification. 	Tertiary institution	PAYEE	DATE	CHECK NO	AMOUNT	KMTC - Tongaren	James Osiako Ingutia	3/16 /2021	9170	20,000,000.00	KMTC - Tongaren	James Osiako Ingutia	8/24 /2020	8627	10,000,000.00				TOTAL	30,000,000.00	<p>willing buyer. An Ad hoc committee was formed to negotiate on behalf of KMTC Tongaren and the valuation report was sort from the ministry of Lands Bungoma County. The ministry did valuation after search was done to confirm the registered owner.</p>		
Tertiary institution	PAYEE	DATE	CHECK NO	AMOUNT																				
KMTC - Tongaren	James Osiako Ingutia	3/16 /2021	9170	20,000,000.00																				
KMTC - Tongaren	James Osiako Ingutia	8/24 /2020	8627	10,000,000.00																				
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**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)															
	<p>d) No evidence to show that the management did search through ministry of Lands for the plot under acquisition.</p> <p>e) There was no evidence that surveyor/ valuer of the above land was involved since no surveyor's report was availed for audit review. No evidence to show that demarcation had been done for the plot.</p> <p>f) No evidence that both parties appear before the lands board and no evidence of title deed as proof of ownership.</p> <p>In view of the foregoing, we were unable to confirm as to whether due diligence was followed and the completeness of the reported amount of Kshs. 30 Million with respect to purchase of land.</p>																		
	<p>The statement of receipts and payments as detailed in Note six (6) of <i>transfers to other government entities</i> to the accounts reflects an expenditure of Kshs. 63,501,590 on transfers to secondary schools and tertiary institution. Included in this amount was Kshs.12 Million disbursed to Tongaren Project Management Committee for various projects and schools as detailed in the table below;</p> <table border="1" data-bbox="1169 862 1412 1727"> <thead> <tr> <th>DAT E</th> <th>CHE QUE NO.</th> <th>PAYEE</th> <th>Details</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>6/8/2021</td> <td>9696</td> <td>Mary Wakhungu Sec</td> <td>Transfers to Secondary Schools</td> <td>5,000,000</td> </tr> <tr> <td>4/27/</td> <td>953</td> <td>Kimimini Friends</td> <td>Transfers to</td> <td></td> </tr> </tbody> </table>	DAT E	CHE QUE NO.	PAYEE	Details	AMOUNT	6/8/2021	9696	Mary Wakhungu Sec	Transfers to Secondary Schools	5,000,000	4/27/	953	Kimimini Friends	Transfers to		<p>The NGCDF Act gives PMC FULL mandate to implement the school projects. However, the NGCDF availed all the necessary documents to the audit team for review.</p>	Resolved	31/7/2022
DAT E	CHE QUE NO.	PAYEE	Details	AMOUNT															
6/8/2021	9696	Mary Wakhungu Sec	Transfers to Secondary Schools	5,000,000															
4/27/	953	Kimimini Friends	Transfers to																

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

Reference No. on the external audit Report	Issue / Observations from Auditor					Management comments	Status: (Resolved / Not Resolved)	Timeframe: (For a date when you expect the issue to be resolved)
	2021	6	Sec School	Secondary Schools	2,000,000			
	4/27/2021	953 5	Milimani Secondary School	Transfers to Secondary Schools	2,000,000			
	4/27/2021	953 3	St. Patrick's Naitiri Boys High Sch	Transfers to Secondary Schools	2,000,000			
	8/24/2020	862 8	St. Patrick's Naitiri Boys High School	Transfers to Secondary Schools	1,000,000			
				TOTAL	12,000,000			
	<p>However, the following anomalies were noted:</p> <ul style="list-style-type: none"> ➤ There were no expenditure returns showing how mounts disbursed totaling to Kshs.12 Million was spent since no income and expenditure statement (Summary of the expenditure incurred), payment vouchers, relevant bank statement and confirmation of the amount received provided in the Project Management Committee file availed for audit review. ➤ There was also no evidence on file to confirm that the project was being supervised with the relevant ministry and thus it could be confirmed as to whether the work was being done according to specifications and acceptable 							

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																									
	<p>standards.</p> <p>In view of the foregoing, in absence of the above mentioned documents, it appears that funds disbursed by the Tongaren NG-CDF to various schools mentioned above were not properly expended.</p>																												
	<p>The statement of receipts and payments as detailed in Note six (6) of Other Payments to the accounts reflects an expenditure of Kshs. 11,689,200 relating to purchase of computers and other accessories. Included in this amount was Kshs.11,455,416 paid to Digital Aid as analyzed in the table below:</p> <table border="1" data-bbox="911 840 1362 1729"> <thead> <tr> <th>DATE</th> <th>P.V NO.</th> <th>CHE QUE NO</th> <th>PAYEE</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>3/16/2021</td> <td>20138</td> <td>9172</td> <td>Digital Schools Aids</td> <td>6,370,000.00</td> </tr> <tr> <td>3/30/2021</td> <td>290110</td> <td>9204</td> <td>Digital Schools Aids</td> <td>4,860,800.00</td> </tr> <tr> <td>4/16/2021</td> <td>290115</td> <td>9469</td> <td>Digital Schools Aids</td> <td>224,616.00</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Total</td> <td>11,455,416</td> </tr> </tbody> </table>	DATE	P.V NO.	CHE QUE NO	PAYEE	AMOUNT	3/16/2021	20138	9172	Digital Schools Aids	6,370,000.00	3/30/2021	290110	9204	Digital Schools Aids	4,860,800.00	4/16/2021	290115	9469	Digital Schools Aids	224,616.00				Total	11,455,416	All relevant procurement documents were presented for audit review during the time of audit	unresolved	31/12/2022
DATE	P.V NO.	CHE QUE NO	PAYEE	AMOUNT																									
3/16/2021	20138	9172	Digital Schools Aids	6,370,000.00																									
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**Tongaren Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
	<p>However, the following unsatisfactory were noted</p> <ul style="list-style-type: none"> - There were no stores records such as S3 cards, S13 and S11 to support the receipt and issues of the computers and accessories. - There were no tender documents such as quotations, evaluation reports, and list of pre-qualified suppliers to support this expenditure. - The appointment letters of the Inspection and acceptance committee members were not availed for audit verification. - No inspection and Acceptance Committee minutes. 															
	<p>Disclosed in the statement of receipts and payments was expenditure amounting to Ksh. 8,321,816 in respect to use of goods and services for the year ended 30th June 2021. However, included in Ksh 8,321,816 were expenditures amounting to Ksh. 842,000.00 which the payment vouchers and other relevant support documents and records were not made available for audit review. Find below detailed table.</p> <table border="1" data-bbox="1189 840 1412 1724"> <thead> <tr> <th>DATE</th> <th>CHEQUE NO</th> <th>PAYEE</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>15/09/2020</td> <td>8659</td> <td>Paul N. Adome</td> <td>150,000</td> </tr> <tr> <td>11/02/2021</td> <td>9134</td> <td>Paul N. Adome</td> <td>50,000</td> </tr> </tbody> </table>	DATE	CHEQUE NO	PAYEE	AMOUNT	15/09/2020	8659	Paul N. Adome	150,000	11/02/2021	9134	Paul N. Adome	50,000	<p>The vouchers have been availed for your review</p>	<p>Resolved</p>	
DATE	CHEQUE NO	PAYEE	AMOUNT													
15/09/2020	8659	Paul N. Adome	150,000													
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**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
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Issue / Observations from Auditor	Paul N. Adome	Paul N. Adome	Paul N. Adome	Total																																			
29/10/20	9082	150,000																																					
01/10/20	8674	100,000																																					
28/08/20	8634	62,000																																					
06/08/20	8619	280,000																																					
28/06/20	9711	50,000																																					
				842,000																																			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																								
	<p>Kshs. 1,191,531 being gratuity owed to former and current staff members whose contracts were renewed on 1st June 2020 as tabulated below;</p> <table border="1"> <thead> <tr> <th>Employee Name</th> <th>Basic Salary</th> <th>Estimated Gratuity Payable</th> </tr> </thead> <tbody> <tr> <td>Geoffrey Wanjala</td> <td>12,000.00</td> <td>133,920.00</td> </tr> <tr> <td>Evans Khaemba</td> <td>18,679.00</td> <td>208,457.64</td> </tr> <tr> <td>Lucy N Aduvagah</td> <td>22,205.00</td> <td>247,807.80</td> </tr> <tr> <td>Susan N Wanjala</td> <td>13,000.00</td> <td>145,080.00</td> </tr> <tr> <td>Abiud Collins Walumbe</td> <td>22,205.00</td> <td>247,807.80</td> </tr> <tr> <td>Karen N Waliaula</td> <td>18,679.00</td> <td>208,457.64</td> </tr> <tr> <td>Total</td> <td></td> <td>1,191,530.88</td> </tr> </tbody> </table>	Employee Name	Basic Salary	Estimated Gratuity Payable	Geoffrey Wanjala	12,000.00	133,920.00	Evans Khaemba	18,679.00	208,457.64	Lucy N Aduvagah	22,205.00	247,807.80	Susan N Wanjala	13,000.00	145,080.00	Abiud Collins Walumbe	22,205.00	247,807.80	Karen N Waliaula	18,679.00	208,457.64	Total		1,191,530.88			
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	<p>Included in the use of goods and services expenditure of Kshs. 8,321,816 as disclosed under statement of receipts and payments for the financial year ended 30th June 2021, which includes expenditure of Kshs. 900,000 incurred on fuel, oil and lubricants and Kshs 867,880.58 being payments to Shadema Con. Company Ltd and Central Farmers Garage Ltd respectively as shown in tables below;</p> <p>Table (a)</p> <table border="1"> <thead> <tr> <th>PAYEE</th> <th>DATE</th> <th>PV NO.</th> <th>CHEQ NO.</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>Shadema Con.</td> <td>17/07/2</td> <td>29000</td> <td>8603</td> <td></td> </tr> </tbody> </table>	PAYEE	DATE	PV NO.	CHEQ NO.	AMOUNT	Shadema Con.	17/07/2	29000	8603		<p>The vehicle GKB429W Make ISUZU DMAX was supplied by ISUZU Eat Africa Ltd through contract no. SB/017/006/2020-202 SIGNED BETWEEN Government of Kenya and ISUZU East Africa. Being the supplier, the vehicle is</p>	Unresolved	31/10/2022														
PAYEE	DATE	PV NO.	CHEQ NO.	AMOUNT																								
Shadema Con.	17/07/2	29000	8603																									

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

Reference No. on the external audit Report	Issue / Observations from Auditor										Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Prt a date when you expect the issue to be resolved)	
	Company Ltd	020	5								147,368.00	still on active warranty and is regularly serviced by Central Farmers Garage.		
	Comm. Of VAT	17/07/2020	290005	8604							2,632.00			
	Shadema Con. Company Ltd	29/09/2020	290040	8671							147,368.00			
	Comm. Of VAT	29/09/2020	290040	8672							2,632.00			
	Shadema Con. Company Ltd	29/10/2020	290056	9080							147,368.00			
	Comm. Of VAT	29/10/2020	290056	9081							2,632.00			
	Shadema Con. Company Ltd	31/12/2020	290059	9091							196,000.00			
	Comm. Of VAT	31/12/2020	290059	9092							4,000.00			
	Shadema Con. Company Ltd	18/02/2021	290084	9151							98,000.00			
	Comm. Of VAT	18/02/2021	290084	9152							2,000.00			
	Shadema Con. Company Ltd	15/06/2021	290153	9701							147,000.00			
	Comm. Of VAT	15/06/2021	290153	9702							3,000.00			
				Total							900,000.00			

Table (b)

PAYEE	DATE	PV.	CHEQUE	AMOUNT
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**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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)
				NO.	NO			
	Central Farmers Garage Ltd	17/07/2020	0	290004	8601	159,051		
	Comm. Of VAT	17/07/2020	0	290004	8602	2,840		
	Central Farmers Garage Ltd	13/10/2020	0	290049	8686	32,480		
	Comm. Of VAT	13/10/2020	0	290049	8687	580		
	Central Farmers Garage Ltd	12/01/2020	1	290060	9093	203,504		
	Comm. Of VAT	12/01/2020	1	290060	9094	3,634		
	Central Farmers Garage Ltd	27/01/2020	1	290073	9117	168,574		
	Comm. Of VAT	27/01/2020	1	290073	9118	3,528		
	Central Farmers Garage Ltd	24/02/2020	1	290088	9159	28,500		
	Comm. Of VAT	24/09/2020	0	290036	8660	3,311		
	Central Farmers Garage Ltd	24/09/2020	0	290036	8661	185,438		

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

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)
	Central Farmers Garage Ltd	08/06/2022 1	29014 7	9691	75,122		
	Comm. Of VAT	08/06/2022 1	29014 7	9692	1,318		
	Total			Total	867,880.58		
	<p>However, review of documents availed for audit revealed the following anomalies were noted;</p> <ul style="list-style-type: none"> There were no procurement documents availed to ascertain that the two suppliers were competitively procured. There were no contracts between Tongaren NG-CDF and the suppliers. There were no detailed orders matching the work-tickets used for fuelling. <p>In the circumstances, the validity and propriety of Ksh 1,767,880.58 incurred on fuel, oil and lubricants for the year ended 30th June 2021 could not be ascertained.</p>						
	<p>Detailed analysis of the Projects Implementation Status of Tongaren NG-CDF Constituency reveals that the management of the fund had approved plan to implement a total of forty three (43) projects during financial year 2020-2021, valued at</p>				<p>There was delay in funds disbursement from the board</p>	<p>Unresolved 31/12/2022</p>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																																													
	<p>Kshs. 137,088,879 as at 30 June 2021. However, twenty (20) projects valued at Kshs. 55,896,672 were still ongoing relating to financial year 2020/2021 and seventeen (17) projects valued at Kshs.53,692,207 were not yet started as at 30 June 2021.</p>																																																
	<p>Tongaren NG-CDF budgeted to spend a total of Kshs.185,567,106.00 during the financial year under review. However, the fund spent a total of Kshs.120,132,903.00 leading to a budget utilization difference of Kshs.65,434,203.00, or 64.7% as illustrated in the table below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Receipt/Expense Item</th> <th style="text-align: right;">Final Budget</th> <th style="text-align: right;">Actual on Comparable Basis</th> <th style="text-align: right;">Budget Utilisation Difference</th> <th style="text-align: right;">% of Utilisation</th> </tr> </thead> <tbody> <tr> <td>RECEIPTS</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Transfers from NG-CDF Board</td> <td style="text-align: right;">185,567,106</td> <td style="text-align: right;">140,478,227</td> <td style="text-align: right;">45,088,879</td> <td style="text-align: right;">75.70%</td> </tr> <tr> <td>TOTAL RECEIPTS</td> <td style="text-align: right;">185,567,106</td> <td style="text-align: right;">140,478,227</td> <td style="text-align: right;">45,088,879</td> <td style="text-align: right;">75.70%</td> </tr> <tr> <td>PAYMENTS</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Compensation of Employees</td> <td style="text-align: right;">3,291,646</td> <td style="text-align: right;">2,369,446</td> <td style="text-align: right;">922,201</td> <td style="text-align: right;">72.00%</td> </tr> <tr> <td>Use of goods and services</td> <td style="text-align: right;">9,407,736</td> <td style="text-align: right;">8,321,816</td> <td style="text-align: right;">1,085,920</td> <td style="text-align: right;">88.50%</td> </tr> <tr> <td>Transfers to Other Government Units</td> <td style="text-align: right;">115,000,000</td> <td style="text-align: right;">63,501,590</td> <td style="text-align: right;">51,498,410</td> <td style="text-align: right;">55.20%</td> </tr> <tr> <td>Other grants</td> <td style="text-align: right;">41,067,720</td> <td style="text-align: right;">29,453,852</td> <td style="text-align: right;">11,613,872</td> <td style="text-align: right;">71.70%</td> </tr> </tbody> </table>	Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation	RECEIPTS					Transfers from NG-CDF Board	185,567,106	140,478,227	45,088,879	75.70%	TOTAL RECEIPTS	185,567,106	140,478,227	45,088,879	75.70%	PAYMENTS					Compensation of Employees	3,291,646	2,369,446	922,201	72.00%	Use of goods and services	9,407,736	8,321,816	1,085,920	88.50%	Transfers to Other Government Units	115,000,000	63,501,590	51,498,410	55.20%	Other grants	41,067,720	29,453,852	11,613,872	71.70%	<p>The % utilization difference is as a result of delayed disbursement of funds from the board. A total of 45,088,879/- was yet to be disbursed from the board.</p>	resolved	30/6/2022
Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation																																													
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**Tongaren Constituency
National Government Constituencies Development Fund (NGCDF)
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Reference No. on the external audit Report	Issue / Observations from Auditor						Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and transfers	4	4,800,000	4,797,000	3,000	99.90%			
	Acquisition of Assets		12,000,00	11,689,200	310,800	97.40%			
	Other Payments	0							
	TOTAL	185,567,106	120,132,903	65,434,203	64.70%				


8/6/2023

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Name: Krop Merisia
Fund Account Manager.