

REPUBLIC OF KENYA



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THE NATIONAL ASSEMBLY

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**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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

**AMENDED REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RANGWE CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

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**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.

**(b) Key Management**

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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

<b>No</b>	<b>Designation</b>	<b>Name</b>
1	A.I.E holder	<b>Charles Omosa</b>
2	Sub - County Accountant	<b>Michael Gudah</b>
3	Chairman NGCDF	<b>Caroline Otieno</b>
4	Member NGCDFC	<b>Jackline Muombo</b>
5	Member NGCDFC	<b>Sammy Ogola</b>

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 63 Rangwe 40303  
NG-CDF Rangwe Hall / Office  
Orero - Market Way  
Rangwe, Kenya.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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**For the year ended June 30, 2020**

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**(f) NGCDF Rangwe Constituency Contacts**

Telephone: (254) 729 495 375  
E-mail: [cdfrangwe@ngcdf.go.ke](mailto:cdfrangwe@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF Rangwe Constituency Bankers**

Equity Bank (K) Limited  
Bank Road  
A/c No. 0980261940653  
P.O. Box 75104 – 40300,  
Homa Bay, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

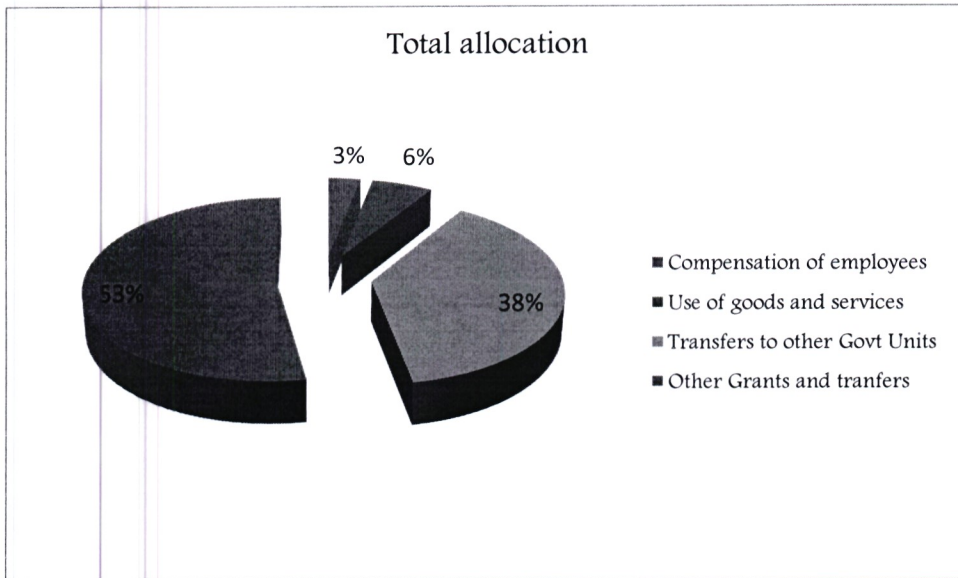
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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The NG-CDF Rangwe is grateful for the financial year that has been. The committee had a budget of Kes. 137,367,724, which is a 21% increase from the previous financial year's 109,040,724. This was to finance National Government projects besides office administration and other statutory. As at 30<sup>th</sup> June, 2020, the NG-CDF Board had dispersed Kes. 93,000,000.00 which translates to 67.7%

The total allocation was to fund projects in Education, Security, Bursaries, etc as presented below;



The NG-CDF has improved education and security infrastructure in Rangwe besides bursaries allocation to needy and deserving students. This is evidenced by comparison on bursary allocation and disbursed of the last financial year.

However, emerging issues like political, economic, social, legal and global challenges influence the implementation of NG-CDF projects. Other issue include late disbursement of funds, re-allocation and late approval of project. As at 30<sup>th</sup> June, 2020, funds for projects worth 44,367,724 had not been disbursed.

It is understood that projects proposal was submitted late thus the NG-CDFC did not receive its allocation in time. This coupled with COVID-19 pandemic delayed implementation of projects. The unutilized funds still remain with the NG-CDF Board. We hope that the Board disburses the unutilized funds earlier enough to allow constituents of Rangwe realize the much needed development.

*[Handwritten Signature]*

*6/4/2021*

.....  
Sign

**CHAIRMAN NGCDF COMMITTEE**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

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

Rangwe Constituency, in its quest to achieve economic growth and development, food security, quality education and healthcare, relies on its strengths including and not limited to the following to achieve;

- Active and literate youthful population
- Existing and improving road infrastructure
- A rich pool of professionals with diverse expertise and connections
- Favourable climatic conditions for agriculture
- Diversified economic activities (fishing and agriculture)
- Existing and improving educational infrastructure
- Existing talents in sports and arts

The Rangwe NG-CDF Committee in its strategic plan 2018-2022, outlined objective on how and where development initiatives detected in the above areas would be implemented for the good and benefit of the constituents who are the major stakeholders. It is expected that all these implemented would achieve development on quality education, security, environmental and water conservation and healthcare.

**The key development objectives of NGCDF- Rangwe Constituency's 2018-2022 plan are to:**

Key development objectives as per the Rangwe NG-CDF Strategic Plan 2018 - 2020 include;

**a) Education**

Ensure that existing infrastructures are improved and where they lack modern ones are initiated. This would go a long way in improving enrolment, improve performance among learners and reduce dropout rates. The Rangwe NG-CDF ensures 100% transition to secondary schools and tertiary / colleges / universities through our bursary programme that sponsors bright but vulnerable students fully throughout their education.

**b) Security**

Security being a crucial aspect of our day to day lives, the Rangwe NG-CDF has put major emphasis towards equipping and facilitating Administration Police, ACC, Chiefs and other security agencies through improving their infrastructure.

**c) Environment, Water and Sanitation**

The committee has for sometime conducted tree planting exercise as a major environmental conservation method but has incorporated other measures like construction of latrines, fencing and distribution and installation of water tanks. The activities have proved conserve environment and ensure water conservation and sustainability in the Constituency.



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**d) Sports**

Existing sports clubs and special groups are identified and empowered through sports; an important activity that has proven to bring people together. Through sports, youths are identified and empowered thus reducing dependency and other social evils.

**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:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	<ul style="list-style-type: none"> <li>○ Increase enrolment</li> <li>○ Reduce dropout rate</li> <li>○ Improve performance</li> <li>○ Ensure 100% transition</li> </ul>	Improve existing infrastructure and develop new ones to enhance conducive learning environment for learners	<ul style="list-style-type: none"> <li>○ number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>○ number of bursary beneficiaries at all levels</li> </ul>	In FY 19/20 <ul style="list-style-type: none"> <li>○ 9 new classrooms constructed to completion out of 14 budgeted for</li> <li>○ 1 administration block constructed to completion out of 3 budgeted for</li> <li>○ 1 dormitory constructed to completion as budgeted for</li> <li>○ 1 laboratory constructed to completion as budgeted for</li> <li>○ 2500 Bursary beneficiaries at all levels were as per the attached schedules</li> </ul>
Security	Equip and facilitate AP's, Chiefs, ACC's and other security agencies in the Constituency	Improve and develop infrastructure to enhance security and service delivery	Number of physical infrastructure developed and improved within the Constituency	<ul style="list-style-type: none"> <li>○ 4 Chiefs' offices renovated as budgeted for</li> <li>○ 2 AP camp facilities renovated as planned</li> <li>○ Construction of a storey building Rangwe Sub-</li> </ul>

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				County Headquarters at procurement stages
Environment	Conservation of environment through conservation of natural resources, improved access to water and sanitation	<ul style="list-style-type: none"> <li>○ Facilitate schools and other public institutions with water and improved / developed sanitation</li> <li>○ Tree planting to increase forest cover in public institutions</li> </ul>	<ul style="list-style-type: none"> <li>○ Number of water tanks distributed and installed in public institutions</li> <li>○ Number of sanitation facilities constructed in public institutions</li> <li>○ Number of trees planted</li> </ul>	<ul style="list-style-type: none"> <li>○ 12 plastic tanks (10,000 ltrs) distributed to public institutions as planned</li> <li>○ 20 pit latrines constructed in public institutions as planned</li> <li>○ 30,000 tree seedlings planted as planned</li> </ul>
Sports	Empower youth and special groups to develop through sports	Reduced social evils among the youth and special groups	Number of youth groups benefitting through sports programmes	10 new youth groups identified and empowered

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF - Rangwe Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

**1. Sustainability strategy and profile**

The Rangwe NG-CDFC in its quest deigned to combat poverty by initiate grass root development, works within pre-existing guidelines and those provided in our strategic plan involving all our stakeholders to achieve our development agenda. To realize the same, the constituency set targets that aid in service delivery which stakeholders send feedback on. We operate on framework that includes project identification, adequate funding, implementation and monitoring to complete a project cycle.

**2. Environmental performance**

Conserving the environment is a responsibility yoked on every responsible citizen of this great nation and beyond as life itself notwithstanding our operations solely depends on how we treat it. The NG-CDF Committee Rangwe commits to conserve the environment through;

- Monitoring and continuously improving on environmental performance
- Ensuring that environmental factors are considered during planning and implementation
- Disposing our wastes responsibly
- Recycling paper waste to reduce pollution
- Communicating regularly to stakeholders of our environmental performance
- Facilitating stakeholders with environmental performance tools

### 3. Employee welfare

#### Terms and conditions

This is in reference to rules of engagement like appointments, promotions, terms of service etc of Rangwe NG-CDFC staff and employees.

#### Categories of employment

Rangwe NG-CDFC has;

##### a) Contract employees

Are engaged on a three years contract which is renewable depending on performance and are eligible for employee benefits.

##### b) Casual employees

Are hired on when and if needed basis and are not entitled to employee benefits. Casual employees aren't allowed to work continuously for a three months period.

#### Recruitment procedure

The FAM in consultation with the NG-CDFC declares vacant positions in the office and advertises for the same clearly stating Job title, description of duties and responsibilities of the job, education, skills and competency required, work station, application instruction and closing dates for receipt of application.

Successful applicants are awarded letters of appointment which the applicant may accept or reject. Upon acceptance, a written contract stating details of employee, date of appointment, date of commencement of work, duration of contract, remuneration, termination, terms and conditions of employment e.t.c. signed by the Fund Account Manager and Chairperson is issued to the employee.

An induction of upto three months is conducted to new employees to familiarize them with operations, mandate, mission and vision of the office and how their jobs contribute to the same.

### 4. Market place practices

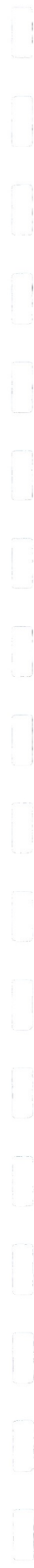
The NG-CDF being the National Government development agency at the grassroots, is designed to develop the nation from the grassroots. Development at the grassroots should be distributed equally across Wards of the Constituency to check on the imbalances brought about by political partisans and favouritism.

#### a) *Responsible competition practice.*

After NG-CDF Committee submits proposal to NG-CDF Board, the would be beneficiaries are notified and asked to form PMC in relation to regulations set. Funds are disbursed to NG-CDF Committee main account before they are transferred to PMC account for project implementation. The PMCs are then guided on procurement processes. Local contractors and suppliers are encouraged to tender for works and services to ensure competitive benefits for the locals.

#### b) *Responsible Supply chain and supplier relations*

Upon completion of tendering process satisfactorily, the winner is notified in writing with other unsuccessful tenderers issued with regret letters stating successful bidder and his / her tender sum. Payments are done upon request after inspection satisfies level of work against payment requested for. Final payment is done promptly upon producing required documents from the relevant authorities.



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***c) Responsible marketing and advertisement***

Upon approval of projects and funds disbursed, tenders are advertised through notices, posters placed strategically at public places and institutions, local vernacular radio stations and on local dailies. Plans are underway to advertise on internet as well so that no interested bidders are locked out.

***d) Product stewardship- outline efforts to safeguard consumer rights and interests***

To safeguard rights and interest of our customers, the Rangwe NG-CDFC formed a Complaints Committee that meets from time to time to resolve complaints against the office and or staff. This is not to demonize but rather enhance courtesy, integrity, dignity and professionalism to our customers. A large well printed service charter and a suggestion box are pinned strategically at the entrance for all our customers' use. They are always encouraged to register complaints with officers present or use the suggestion box.

**5. Community Engagements**

As required by the NG-CDF Act 2015 (Revised 2016), the Chairperson of the NG-CDFC convene open forum stakeholders meetings in all four Wards of the Constituency at least once after two years to deliberate on development matters. Its in these meetings that members of the public learn more on NG-CDF, give feedback to NG-CDFC members on projects, give projects of priority to them and its through such meetings that NG-CDF Committee identifies projects they are convinced are of benefit to the locals.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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**V. STATEMENT OF RANGWE NG-CDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Rangwe NG-CDF shall prepare financial statements in respect of that Rangwe NG-CDF. 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.

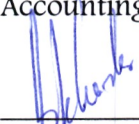
The Accounting Officer in charge of the NGCDF- Rangwe Constituency is responsible for the preparation and presentation of the Rangwe NG-CDF's financial statements, which give a true and fair view of the state of affairs of the Rangwe NG-CDF for and as at the end of the financial year (period) ended on June 30, 2020. 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 Rangwe NG-CDF; (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 Rangwe NG-CDF; (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- Rangwe Constituency accepts responsibility for the Rangwe NG-CDF'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 *Rangwe NG-CDF's* financial statements give a true and fair view of the state of Rangwe NG-CDF's transactions during the financial year ended June 30, 2020, and of the Rangwe NG-CDF's financial position as at that date. The Accounting Officer charge of the NGCDF- Rangwe Constituency further confirms the completeness of the accounting records maintained for the *Rangwe NG-CDF*, which have been relied upon in the preparation of the Rangwe NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF- Rangwe Constituency confirms that the Rangwe NG-CDF has complied fully with applicable Government Regulations and that the Rangwe NG-CDF'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 Rangwe NG-CDF'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- Rangwe Constituency financial statements were approved and signed by the Accounting Officer on 7/4/2021 2020.

  
\_\_\_\_\_  
**Fund Account Manager**  
**Name: Charles Omosa**

  
\_\_\_\_\_  
**Sub-County Accountant**  
**Name: Michael Gudah**  
**ICPAK Member Number: 20477**

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Rangwe Constituency set out on pages 13 to 46, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the National Government Constituencies Development Fund - Rangwe Constituency as at 30 June, 2020, 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 National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Unsupported Use of Goods and Services

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects payments totaling Kshs.12,369,430 relating to use of goods and services. However, the individual items were not supported by sub-schedules or sub-ledgers.

Consequently, the accuracy and completeness of Kshs.12,369,430 under use of goods and services for the year ended 30 June, 2020 could not be confirmed.

##### 2. Variances Between the Statement of Appropriation and Unutilized Funds

The statement of appropriation - recurrent and development combined reflects total budget utilization difference of Kshs.116,884,589. However, Note 17.3 on unutilized funds reflects total unutilized fund balances of Kshs.102,779,289. The resulting difference of Kshs.14,105,300 between the two sets of records have not been explained or reconciled.

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*Report of the Auditor - General on National Government Constituencies Development Fund – Rangwe Constituency for the year ended 30 June, 2020*

Consequently, the accuracy and completeness of budget utilization difference of Kshs.116,884,589 for the year ended 30 June, 2020 could not be confirmed.

### **3. Inaccuracies in the Statement of Budget Execution by Programmes and Sub-Programmes**

The statement of budget execution by programmes and sub-programmes reflects transfers to primary schools amounting to Kshs.20,700,000. The balance does not include Kshs.3,000,000 transfers to two schools which are supported by the payment schedules. On other hand, the statement includes Kshs.2,500,000 transfers to two schools which are not supported by payment schedules.

Consequently, the accuracy and completeness of statement of budget execution by programmes and sub-programmes for the year ended 30 June, 2020 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Mater**

#### **1. Budgetary Control and Performance**

The statement of budget and actual amount for the year ended 30 June, 2020 reflects Kshs.206,527,719 and Kshs.119,940,876 in respect to budgeted revenue and actual receipts respectively. This translates to an under -realization of Kshs.86,586,844 or 42% of the budget.

In addition, the statement of comparison of budget and actual amounts reflects Kshs.206,527,719 and Kshs.89,643,130 in respect of budgeted and actual payments respectively resulting to under absorption of Kshs.119,648,564 or 47 % of the budget.

The under-realization and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Rangwe Constituency.

#### **2. Projects not Implemented**

The project implementation status indicated that projects with estimated cost of Kshs.80,547,354 were not implemented during the year. This is was attributed to underfunding by the NGCDF Board.



Failure by the Board to fund the projects on time affected implementation of planned projects and may have impacted negatively on service delivery to the residents of Rangwe Constituency.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Implementation of Emergency Projects

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and other payments of Kshs.24,924,482 out of which Kshs.3,400,000 is in respect of emergency projects. However, the requests for the emergency funds by the schools and the NG CDF Committee minutes approving the utilization of the emergency funds were not made provided for audit verifications.

In addition, expenditure records including bill of quantities, the quotations, purchase orders, delivery notes, invoices inspection and acceptance minutes, payment vouchers and bank statements were not presented for audit.

Further, there was no evidence to indicate that the utilization of the emergency reserve was reported to the Board within 30 days of the occurrence of the emergency as required by Regulation, 20 (2) of the National Government Constituency Development Fund Regulations, 2016.

Consequently, the regularity and propriety of the emergency projects of Kshs.3,400,000 could not be confirmed.

#### 2.0 Lack of a Procurement Plan

Procurement plan and work plan were not prepared and approved contrary to Regulations 25 (1 & 2) of the National Government Constituency Development Fund Regulations, 2016 which requires that the officer of the Board seconded to the constituency to prepare a detailed budget, procurement plan and work plan for the year and within the first quarter of the new financial year present them to the committee for approval.

Consequently, the Management was in breach of the law.

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

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund 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 sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**CPA Nancy Gatungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**07 February, 2022**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****RANGWE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	119,940,876	102,484,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>119,940,876</b>	<b>102,484,483</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,198,141	2,367,989
Use of goods and services	5	12,369,430	8,023,338
Transfers to Other Government Units	6	47,732,075	29,900,000
Other grants and transfers	7	26,343,484	58,327,094
Acquisition of Assets	8	-	-
Other Payments	9	-	2,500,000
<b>TOTAL PAYMENTS</b>		<b>89,643,130</b>	<b>101,118,421</b>
<b>SURPLUS/DEFICIT</b>		<b>30,297,746</b>	<b>1,366,062</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Rangwe Constituency financial statements were approved on 7/4/2021 2020 and signed by:



**Fund Account Manager**  
**Name: Charles Omosa**



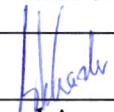
**Sub-County Accountant**  
**Name: Michael Gudah**  
**ICPAK Member Number: 20477**

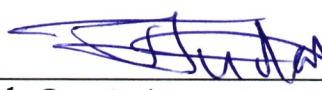
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**RANGWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE, 2020**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	39,919,294	8,750,881
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>39,919,294</b>	<b>8,750,881</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>39,919,294</u></b>	<b><u>8,750,881</u></b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	17.2	1,004,400	948,600
<b>NET FINANCIAL ASSETS</b>		<b>38,914,894</b>	<b>7,802,281</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	8,750,881	6,492,107
Surplus/Deficit for the year		30,297,746	1,366,062
Prior year adjustments	14	870,666	892,712
<b>NET FINANCIAL POSITION</b>		<b><u>39,919,294</u></b>	<b><u>8,750,881</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Rangwe Constituency financial statements were approved on 7/4/2021 2020 and signed by:

  
**Fund Account Manager**  
**Name: Charles Omosa**

  
**Sub-County Accountant**  
**Name: Michael Gudah**  
**ICPAK Member Number: 20477**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**RANGWE CONSTITUENCY**

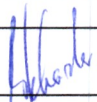
**Reports and Financial Statements**


**For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	119,940,876	102,484,483
Other Receipts	3	-	-
		<b>119,940,876</b>	<b>102,484,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	3,198,141	2,367,989
Use of goods and services	5	12,369,430	8,023,338
Transfers to Other Government Units	6	47,732,075	29,900,000
Other grants and transfers	7	26,343,484	58,327,094
Other Payments	9	-	2,500,000
		<b>89,643,130</b>	<b>101,118,421</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	55,800	-
Prior year Adjustments	14	870,666	892,712
<b>Net Adjustments</b>		926,466	892,712
<b>Net cash flow from operating activities</b>		<b>31,224,212</b>	<b>2,258,774</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		-
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>31,224,212</b>	<b>2,258,774</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>8,750,881</b>	<b>6,492,107</b>
<b>Cash and cash equivalent at END of the year</b>		<b>39,919,294</b>	<b>8,750,881</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Rangwe Constituency financial statements were approved on 7/4/2021 2020 and signed by:

  
 Fund Account Manager  
 Name: Charles Omosa

  
 National Sub-County Accountant  
 Name: Michael Gudah  
 ICPAK Member Number: 20477

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	69,159,995	206,527,719	119,940,876	86,586,844	58.1%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	
<b>TOTAL RECEIPTS</b>	137,367,724	69,159,995	206,527,719	119,940,876	86,586,844	58.1%
<b>PAYMENTS</b>						
Compensation of Employees	4,257,640	632,011	4,889,651	3,198,141	1,691,510	65.4%
Use of goods and services	8,105,455	1,500,000	9,605,455	12,369,430	(2,763,975)	128.8%
Transfers to Other Government Units	52,632,975	29,627,984	82,260,959	47,732,075	34,528,884	58.0%
Other grants and transfers	72,371,654	31,100,000	103,471,654	26,343,484	77,128,170	25.5%
Acquisition of Assets	-	6,300,000	6,300,000	-	6,300,000	0.0%
Other Payments	-	-	-	-	-	0.0%
<b>TOTAL</b>	137,367,724	69,159,995	206,527,719	89,643,130	116,884,589	43.4%

- i. Gratuity, which is yet to be paid, was budgeted for alongside compensation of employees thus underutilization.
- ii. Use of goods and services was over utilized by 43.9% as a sum of Kshs. 1,500,000.00 meant for use of goods and services (M&E) for the previous financial year was approved in the financial year ending 30<sup>th</sup> June, 2020 and was utilized in the financial year under review.
- iii. Transfers to other government units and other grants and transfers funds were under utilized due to delays in disbursement





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs		2019/2020 Kshs	30/06/2020 Kshs	Kshs
	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
1.0 Administration and Recurrent					
1.1 Compensation of employees	4,257,640	632,011	4,889,651	3,198,141	1,691,510
1.2 Committee allowances	1,128,000	208,639	1,336,639	3,945,000	(2,608,361)
1.3 Use of goods and services	2,856,423	602,435	3,458,858	2,195,000	1,263,858
1.4 Purchase of computers	-	-	-	-	-
2.0 Monitoring and evaluation					
2.1 Capacity building	1,700,000	347,925	2,047,925	1,564,000	483,925
2.2 Committee allowances	900,000	230,000	1,130,000	3,559,000	(2,429,000)
2.3 Use of goods and services	1,521,032	111,000	1,632,032	1,106,430	525,602
3.0 Emergency					
3.1 Primary Schools	7,198,241	-	7,198,241	3,400,000	3,798,241
3.2 Secondary schools	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	-	-	-	-	-
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	19,000,000	-	19,000,000	10,548,500	8,451,500
4.3 Tertiary Institutions	12,000,000	-	12,000,000	3,313,000	8,687,000
4.4 Universities	-	-	-	-	-
4.5 Special Schools	250,000	-	250,000	114,000	136,000
5.0 Sports					
5.1	1,876,058	2,180,818	4,056,876	3,980,818	76,058
6.0 Environment					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
6.1	747,354	2,180,818	2,928,172	2,180,817	747,355
7.0 Primary Schools Projects					
7.1 Alara Korayo Primary School	2,500,000	-	2,500,000	2,500,000	-
7.2 Aoch Muga Primary School	1,000,000	-	1,000,000	-	1,000,000
7.3 Asumbi Mixed Primary School	3,000,000	-	3,000,000	3,000,000	-
7.4 God Bondo Primary School	2,000,000	-	2,000,000	2,000,000	-
7.5 Nyabola Primary School	2,000,000	-	2,000,000	-	2,000,000
7.6 Nyakwadha Primary School	2,000,000	-	2,000,000	-	2,000,000
7.7 Nyaliech Primary School	1,400,000	-	1,400,000	1,400,000	-
7.8 Obunga Primary School	2,000,000	-	2,000,000	-	2,000,000
7.9 Omoche Market - Koyoo Primary School access Road	2,000,000	-	2,000,000	-	2,000,000
7.10 Omoche Market- Nyambare Primary School access Road	2,000,000	-	2,000,000	-	2,000,000
7.12 Omoche Primary School	1,000,000	-	1,000,000	1,000,000	-
7.13 Othoro Primary School	2,000,000	-	2,000,000	-	2,000,000
7.14 Otweyo Primary School	2,000,000	-	2,000,000	-	2,000,000
7.15 Rabuur Ponge Primary School	1,000,000	-	1,000,000	-	1,000,000
7.16 Randung' Primary School	2,800,000	-	2,800,000	2,800,000	-
7.17 Store Pamba - Ongoro Primary School access Road	2,000,000	-	2,000,000	-	2,000,000
7.18 Ondiche Primary School	-	1,000,000	1,000,000	1,000,000	-
7.19 Nyachar Primary School	-	1,500,000	1,500,000	1,500,000	-
7.20 Gul Kagembe Primary School	-	1,000,000	1,000,000	1,000,000	-
7.21 Onyege Primary School	-	1,000,000	1,000,000	1,000,000	-
7.22 Aoch Muga Primary School	-	1,500,000	1,500,000	1,500,000	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	30/06/2020	Kshs		Kshs
	Original Budget		Adjustments		Final Budget		Actual on Comparable Basis		Budget Utilization Difference	
7.23 Nyandema Primary School	-		2,000,000		2,000,000		2,000,000		-	
7.24 Aora Chak - Koga Primary School Road	-		1,500,000		1,500,000		-		1,500,000	
7.25 Store Pamba - Ongoro Primary School Road	-		1,600,000		1,600,000		-		1,600,000	
7.26 Omoche Primary School	-		1,500,000		1,500,000		-		1,500,000	
8.0 Secondary Schools Projects (List all the Projects)										
8.1 Chiepe Secondary School	1,532,975		-		1,532,975		1,532,075		900	
8.2 God Bondo Secondary School	2,000,000		-		2,000,000		-		2,000,000	
8.3 God Marera Mixed Secondary School	1,500,000		-		1,500,000		-		1,500,000	
8.4 Nyajanja Mixed Secondary School	6,800,000		-		6,800,000		2,000,000		4,800,000	
8.5 Nyandiwa Mixed Secondary School	6,800,000		-		6,800,000		2,000,000		4,800,000	
8.6 Onyege Mixed Secondary School	800,000		-		800,000		-		800,000	
8.7 Sinogo Secondary School	2,000,000		-		2,000,000		2,000,000		-	
8.8 Wikoteng' Mixed Secondary School	500,000		-		500,000		500,000		-	
8.9 Wikoteng' Mixed Secondary School	-		1,000,000		1,000,000		1,000,000		-	
8.10 Koyoo Mixed Secondary School	-		2,000,000		2,000,000		2,000,000		-	
8.11 Rabango Mixed Secondary School	-		5,500,000		5,500,000		5,750,000		(250,000)	
8.12 Rangwe Girls Secondary School	-		5,500,000		5,500,000		5,750,000		(250,000)	
8.13 Koyoo Mixed Secondary School	-		1,000,000		1,000,000		1,000,000		-	
8.14 Orero Secondary School	-		1,000,000		1,000,000		1,000,000		-	
8.15 Nyakwatha Mixed Secondary School	-		500,000		500,000		500,000		-	
9.0 Tertiary institutions Projects (List all the Projects)										
9.1 Asumbi Teachers Training College	-		2,000,000		2,000,000		2,000,000		-	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
10.0 Security Projects			-		-
10.1 Gem East Chief's Camp	500,000	-	500,000	500,000	-
10.2 Gem East AP Line	700,000	-	700,000	700,000	-
10.3 Manyatta Chief's Camp	1,000,000	-	1,000,000	-	1,000,000
10.4 Rangwe AP Line	1,000,000	-	1,000,000	-	1,000,000
10.5 Rangwe Police Station	1,700,000	-	1,700,000	-	1,700,000
10.6 Rangwe Sub County Headquarters	25,000,000	-	25,000,000	-	25,000,000
10.7 West Kochia Chief's Camp	1,400,000	-	1,400,000	1,400,000	-
10.8 Rangwe AP Line	-	266,349	266,349	206,349	60,000
10.9 Rangwe Sub County Headquarters	-	25,000,000	25,000,000	-	25,000,000
11.0 Acquisition of assets			-		-
11.1 Motor Vehicles (including motorbikes)	-	6,300,000	6,300,000	-	6,300,000
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
12.0 Others			-		-
12.1 Strategic Plan	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-
12.2 Rural Electrification	-	-	-	-	-
	<b>137,367,724</b>	<b>69,159,995</b>	<b>206,527,719</b>	<b>89,643,130</b>	<b>116,884,590</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**RANGWE CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**XII. 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 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 Rangwe NG-CDF**

The financial statements are for the NGCDF- Rangwe Constituency. The financial statements encompass the reporting Rangwe NG-CDF 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 Rangwe NG-CDF for all the years presented.

**a) Recognition of Receipts**

The Rangwe NG-CDF recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Rangwe NG-CDF.

**Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Rangwe NG-CDF.

**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient Rangwe NG-CDF or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

The Rangwe NG-CDF recognises all payments when the event occurs and the related cash has actually been paid out by the Rangwe NG-CDF.

**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 public Rangwe NG-CDF and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the Rangwe NG-CDF 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 Rangwe NG-CDF includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**9. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Rangwe NG-CDF at the end of the 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.



# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

## RANGWE CONSTITUENCY

### Reports and Financial Statements

For the year ended June 30, 2020

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#### SIGNIFICANT ACCOUNTING POLICIES

##### 11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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 30<sup>th</sup> June 2020.

##### 14. Errors

Material prior period errors shall be 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

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description			2019-2020	2018-2019
			Kshs	Kshs
NGCDF Board				
AIE NO. B 005178		1		48,484,483
AIE NO. B 006274		2		15,000,000
AIE NO. B 007454		3		10,000,000
AIE NO. B 047502		4		29,000,000
AIE NO. B 047187		1	26,940,876	
AIE NO. B 041189		2	4,000,000	
AIE NO. B 047640		3	20,000,000	
AIE NO. B 049159		4	6,000,000	
AIE NO. B 104077		5	15,000,000	
AIE NO. B 049215		6	25,000,000	
AIE NO. B 104459		7	23,000,000	
<b>TOTAL</b>			<b>119,940,876</b>	<b>102,484,483</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****RANGWE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020***NOTES TO THE FINANCIAL STATEMENTS (Continued)***2. COMPENSATION OF EMPLOYEES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	3,073,041	2,367,989
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	125,100	-
Gratuity-contractual employees	-	-
<b>TOTAL</b>	<b>3,198,141</b>	<b>2,367,989</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. USE OF GOODS AND SERVICES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	124,000	
Electricity		
Water & sewerage charges		
Office rent		
Communication, supplies and services		
Domestic travel and subsistence	865,000	
Printing, advertising and information supplies & services	245,000	
Rentals of produced assets		
Training expenses	1,400,000	
Hospitality supplies and services		
Other committee expenses	3,889,000	3,288,800
Committee allowance	3,615,000	4,734,538
Insurance costs		
Specialized materials and services		
Office and general supplies and services	661,430	
Fuel, oil & lubricants	1,330,000	
Other operating expenses		
Bank service commission and charges		
Other Operating Expenses		
Security operations		
Routine maintenance - vehicles and other transport equipment	200,000	
Routine maintenance- other assets	40,000	
<b>TOTAL</b>	<b>12,369,430</b>	<b>8,023,338</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	20,700,000	16,400,000
Transfers to secondary schools (see attached list)	25,032,075	13,500,000
Transfers to tertiary institutions (see attached list)	2,000,000	-
Transfers to health institutions (see attached list)	-	-
<b>TOTAL</b>	<b>47,732,075</b>	<b>29,900,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	10,548,500	22,627,000
Bursary -Tertiary	3,313,000	12,309,094
Bursary- Special Schools	114,000	265,000
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	4,000,000
Security	2,806,349	3,500,000
Roads and Bridges	-	-
Sports	3,980,818	900,000
Environment	2,180,817	1,200,000
Cultural Projects	-	-
Agriculture	-	-
<b>Emergency Projects</b>	<b>3,400,000</b>	<b>13,526,000</b>
<b>TOTAL</b>	<b>26,343,484</b>	<b>58,327,094</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. OTHER PAYMENTS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	2,500,000
ICT Hub	-	-
	-	<b>2,500,000</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Homa Bay Branch, Rangwe NG-CDF</i>	<b>39,919,294</b>	<b>8,750,881</b>
<b>Total</b>	<b>39,919,294</b>	<b>8,750,881</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>39,919,294</b>	<b>8,750,881</b>
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	8,750,881	6,492,107
Cash in hand		
Imprest		
<b>Total</b>	<b>8,750,881</b>	<b>6,492,107</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	8,750,881	870,666*	9,621,547
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
	<b>8,750,881</b>	<b>870,666</b>	<b>9,621,547</b>

\*prior year adjustments relate to reversed / stale cheques for the previous period reversed pending replacement in the current period (SCHEDULE ATTACHED)



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****RANGWE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020***NOTES TO THE FINANCIAL STATEMENTS (Continued)***17. OTHER IMPORTANT DISCLOSURES****17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff Gratuity	1,004,400	948,600
Others ( <i>specify</i> )	-	-
	<b>1,004,400</b>	<b>948,600</b>

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,482,321	632,011
Use of goods and services	589,791	1,500,000
Amounts due to other Government entities (see attached list)	38,000,900	29,627,984
Amounts due to other grants and other transfers (see attached list)	61,706,277	31,100,000
Acquisition of assets	-	6,3000,000
Others ( <i>specify</i> )	-	-
	<b>102,779,289</b>	<b>69,159,995</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**RANGWE CONSTITUENCY**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17.4: PMC account balances (See Annex 5)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	4,028,024	1,956,577
	<b>4,028,024</b>	<b>1,956,577</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<b>Senior Management</b>						
1.						
2.						
3.						
	Sub-Total					
<b>Middle Management</b>						
4.						
5.						
6.						
	Sub-Total					
<b>Unionsable Employees</b>						
7.						
8.						
9.						
	Sub-Total					
<b>Others (specify)</b>						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

S/No	Name	Original Amount	Amount Paid to date	Outstanding Balance	Comment
1	Barrack Omolo Ojala	167,400	0	167,400	Staff gratuity wasn't provided for this financial year. To be provided for at the end of contract period.
2	David Hamilton Odhiambo	93,000	0	93,000	
3	Patroba Agutu	55,800	0	55,800	
4	Monica Atieno	37,200	0	37,200	
5	Phoebe Okoth	37,200	0	37,200	
6	Felix Omulo	37,200	0	37,200	
7	Fedinal Omondi	37,200	0	37,200	
8	Eunice Otieno	37,200	0	37,200	
9	K. Ochieng Oketch	93,000	0	93,000	
10	Mary Oryango	37,200	0	37,200	
11	Peter Odhiambo	37,200	0	37,200	
12	Jane Owuor	148,800	0	148,800	
13	Rose Aoko	37,200	0	37,200	
14	Filgona Oluoch	37,200	0	37,200	
15	Nicholas Tindi	37,200	0	37,200	
16	Peter Agunyo	37,200	0	37,200	
17	Maxwel Omondi	37,200	0	37,200	
<b>Total</b>		<b>1,004,400</b>	<b>0</b>	<b>1,004,400</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Transfers	2,482,321	632,011	
Use of goods & services	Transfers	589,791	1,500,000	
<b>Sub - Total</b>		<b>3,072,112</b>	<b>2,132,011</b>	
<b>Amounts due to other Grants and transfers</b>				
Security	Transfers	53,879,600	25,266,349	
Sports	Transfers	76,058	2,180,818	
Environment	Transfers	747,354	2,180,818	
Bursary	Transfers	6,605,024		
Emergency	Transfers	398,241		
<b>Sub-Total</b>		<b>61,706,277</b>	<b>29,627,984</b>	
<b>Amounts due to other Government Entities</b>				
Education Primary Schools Projects	Transfers	22,200,000	12,600,000	
Education Secondary Schools Projects	Transfers	15,900,000	16,500,000	
Education Tertiary Institution Projects	Transfers		2,000,000	
<b>Sub-Total</b>		<b>38,000,900</b>	<b>31,100,000</b>	
<b>Acquisition of assets</b>				
Purchase of motor vehicle	Transfer		6,300,000	
<b>Sub - Total</b>			<b>6,300,000</b>	
<b>Others (specify)</b>				
<b>Sub-Total</b>				
<b>Grand Total</b>		<b>102,779,289</b>	<b>69,159,995</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/2019	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/2020
Land	11,352,286	-	-	11,352,286
Buildings and structures	4,200,000	-	-	4,200,000
Transport equipment	700,000	-	-	700,000
Office equipment, furniture and fittings	210,000	-	-	210,000
ICT Equipment, Software and Other ICT Assets	8,000	24,000	-	32,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>16,470,286</b>	<b>24,000</b>	<b>-</b>	<b>16,502,286</b>

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2019 / 2020</b>	<b>Bank Balance 2018/2019</b>
Alara Korayo Primary School	Equity	0980279828729	1,068,880	
Aoch Muga Primary School	Equity	0980279336916	3,480	
Asumbi Mixed Prim. School	Equity	0980279832970	1,500,000	
God Bondo Primary School	Equity	0980279829883	625,200	
Nyakwadha Primary School	Equity	0980279316804	26,682	
Nyaliech Primary School	Equity	0980202504403	74,820	
Omoeche Primary School	Equity	0980277436678	51,054	
Randung' Primary School	Equity	0980271901450	260	
Chiepe Secondary School	Equity	0980279834250	530,875	
Nyajanja Mixed Sec Sch	Equity	0980279807274	0	
Nyandiwa Mixed Sec Sch	Equity	0980264604190	3,825	
Wikoteng' Sec. School	Equity	0980277463518	6,700	
Sports Tournament	Equity	0980279317582	108,717.50	
Gem East Chief's Camp	Equity	0980271913401	27,430	
West Kochia Chief's Camp	Equity	0980279828417	100	



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
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PMC	Bank	Account number	Bank Balance 2019 / 2020	Bank Balance 2018/2019
Rangwe Sub-County HQ	Equity	0980279912171	0	
Omoche Primary School	Equity	0980277436678		1,000,200
Oganga Primary School	Equity	0980277527466		300
Oreero Primary School	Equity	0980271247740		6,083
Oreero Secondary School	Equity	0980264685010		9,260
Rangwe Police Station	Equity	0980277616039		1,520
Rabuor Kaura Primary School	Equity	0980269143049		148,117
Rangii Primary School	Equity	0980277709575		920
Rangwe AP Line	Equity	0980271058309		760
Rangwe Rural Electrification Project	Equity	0980277795402		260
Sota Primary School	Equity	0980264560324		1,264.70
Rangwe NG-CDF Sports Comm	Equity	0980271081544		2,339.90
Ariwa Primary School	Equity	0980271899676		793
Central Gem Chief's Office	Equity	0980277599460		4,880
Gem East AP Line	Equity	0980277633113		6,450
Gem East Chief's Office	Equity	0980271919401		8,030

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY**  
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PMC	Bank	Account number	Bank Balance 2019 / 2020	Bank Balance 2018/2019
Yogo Primary School	Equity	0980277709690		920
Onoche Primary School	Equity	0980277436678		79,031
Ondiche Primary School	Equity	0980262487607		27,056
Nyaundho Primary School	Equity	0980277526610		720
Nyambare Primary School	Equity	0980277526444		640
Nyawita Primary School	Equity	0980269154808		0.00
Marienga Primary School	Equity	0980277441854		200
Koga Primary School	Equity	0980262511857		20,422.45
God Marera Mixed Secondary School	Equity	0980264535465		29,870
NG-CDF Rangwe Environment Fund	Equity	0980277713979		880
Wikoteng' Mixed Secondary School	Equity	0980277463516		7,000
Rangwe NG-CDF Strategic Plan	Equity	0980277509889		598,660
<b>Total</b>			<b>4,028,024</b>	<b>1,956,577.05</b>

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**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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NT/CSIA/HB/AR/VOL.1/02	<p>i. There was no evidence that M&amp;E and Bursary sub-committees were appointed to provide oversight on the projects and effectly There was no evidence that M&amp;E and Bursary sub-committees were appointed to provide oversight on the projects and effectively monitor disbursement of bursaries to actual beneficiaries</p>	<p><i>The Management has a monitoring &amp; evaluation and bursary committees chaired by Sammy Ogola and Madam Jackline Mwombo respectively. Its other members constitute of;</i></p> <ul style="list-style-type: none"> <li>- Bursary committee;               <ul style="list-style-type: none"> <li>o Erick Odhiambo</li> <li>o Jared Alosi</li> <li>o Jasmine Musembi</li> </ul> </li> <li>- Monitoring and Evaluation Committee;               <ul style="list-style-type: none"> <li>o Carolynne Otiemo</li> <li>o Joseph Ager</li> <li>o Dan Oginga</li> </ul> </li> </ul>	FAM, Charles Omosa	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	There was no schedule for the meetings allegedly held during the period under review.	<i>The management had resolved that it would be holding its meetings twice every month; the first and the last weeks of the month. The Secretary in consultation with the FAM, sends notifications via sms to members communicating dates of the meetings at least three days before the actual date</i>	FAM, Charles Omosa	Resolved	
	Unspent vote book balance as at 30 <sup>th</sup> June, 2017 for financial year 2016/2017 totaling Kshs. 1,699,388.20 were not carried forward to the respective vote items at the start of financial year 2017/2018.  A further verification of the cash book balance as at 30 <sup>th</sup> June, 2017 of Kshs. 310,550.00 against the vote book balance for the same period revealed a variance of Kshs. 1,397,838.20 not explained.	<i>The management has contacted the Sub-county Accountant on the same and are in the process of adjusting their books accordingly.</i>	FAM, Charles Omosa	Resolved	
	It was also observed that the vote book balance for the period ending				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	30 <sup>th</sup> June 2018 of Kshs. 103,426.84 was not reconciling with the cash book balance of Kshs. 6,492,107.00 for the same period leaving a variance of Kshs. 6,388,680.16 not explained.				
	A verification of cash book closing balance for the period ending 30 <sup>th</sup> June, 2017 was Kshs. 301,550, it was therefore expected that the same figure would be the cashbook opening balance for the period starting 1 <sup>st</sup> July, 2017. However, the said closing balance of Kshs. 301,550 was omitted and a nil opening balance was reflected instead thus causing an understatement of Kshs. 301,550 in the cash book which culminates into a shortage in the accounts.	<i>The management has contacted and notified the Sub-County Accountant who is in the process of adjusting his books to correct the misstatements.</i>	FAM, Charles Omosa	Resolved	
	A verification of the cashbook for the period under audit review revealed that a total of Kshs. 41,175,408.00 and Kshs. 1,200,000.00 being bursary for needy students had been paid to	<i>The NGCDF Bursary Committee PMC Account inherited from the former committee has so far been closed and the management is currently paying bursary to</i>	FAM, Charles Omosa	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Rangwe NGCDF Bursary Committee PMC account and Rangwe NGCDF Secondary Schools Bursary PMC accounts respectively. The NGCDF Act 2015 does not provide for formation of a bursary PMC, instead envisages that bursary meant for needy students are paid direct from the main account to the beneficiary schools / institutions. There was no satisfactory explanation from the management on the necessity for the formation of Bursary PMC account. It is therefore not possible to confirm the propriety of expenditure of Kshs. 42,375,408.00 on bursary.</p>	<p><i>needy students through their institutions direct from the Rangwe NG-CDF main account. The management used the Rangwe NG-CDF Bursary Committee PMC Account due to time constraints.</i></p>			