

REPUBLIC OF KENYA



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REPORT

OF

NATIONAL ASSEMBLY PAPER 1410	
DATE:	24 AUG 2023
TABLED BY:	Hon Kimani Ichungwala, MP
CLERK AT THE TABLE:	Leader of the majority party
	Anne Shubuko

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – MUHORONI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2022



Revised Template 30th June 2022



MUHORONI 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)

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Henry S.J. Opilo
2.	Sub-County Accountant	Isabella S. N. Omoke
3.	Chairman NGCDFC	Bernard Austin Ogutu Del
4.	Member NGCDFC	Nancy Minza Kayere

(d) Fiduciary Oversight Arrangements

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

P.O. Box 60 – 40116
Muhoroni NG – CDF Building
Awasi Nandihill Highway
Chemelil, KENYA

(f) Muhoroni Constituency NGCDF Contacts

Telephone: (254) 721967624
E-mail: go.ke
Website: www.go.ke

(g) Muhoroni Constituency NGCDF Bankers

Kenya Commercial Bank
Branch Muhoroni
P.O. Box 113 -- 40107
Muhoroni 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

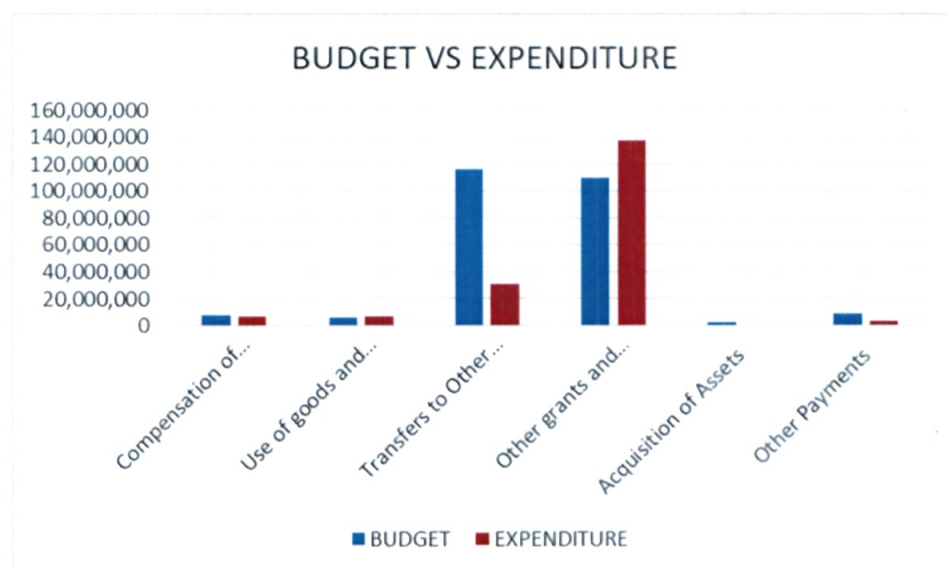
Muhoroni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

II. NG-CDFC Chairman's Report

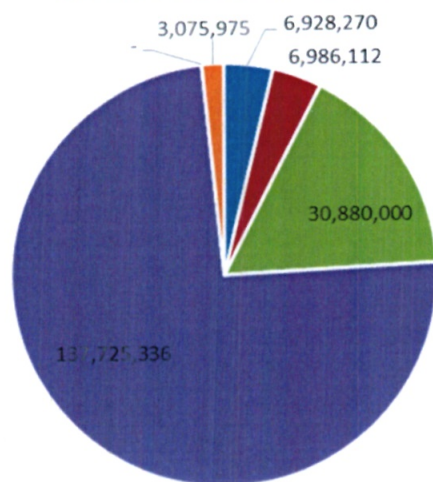


Summary of budget performance

Once again, I present our constituency Annual Report and Financial Statements for the year ended 30th June 2022. The actual receipt from the NGCDF board for the year 2021/2022 was Kshs. 123,088,879 against the annual budget (allocation) of Kshs 137,088,879. By the closure of the financial year, a balance of Kshs. 26,088,879 of the allocated fund including balances not received from previous years had not been received as elaborated in the appropriate summary (see graph on appropriation of the budget utilization). The absorption rate for the financial year improved from 45.9% to 73.9% indicated by the appropriation analysis summary. This is an increase of 28% from last year absorption rate

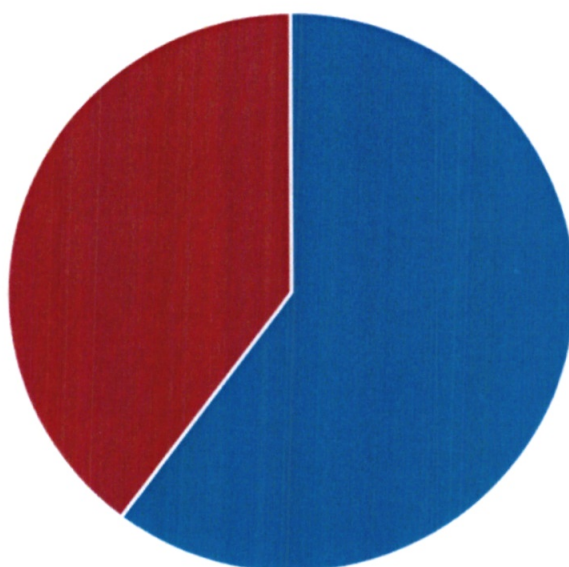


EXPENDITURE ANALYSIS



- Compensation of Employees
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers
- Acquisition of Assets
- Other Payments

Budget Utilization Difference



- Funds not Received
- Cashbook Balance

Muhoroni Constituency

National Government Constituencies Development Fund (NGCDF)

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

Achievements

Our commitment to achieve our dream of being the model constituency in Kenya by bringing all the essential services to the people had been our main motivation for the continued good performance under the difficult operating environment.

Some of the key achievement during this financial year included disbursement of funds to different government entities; Kshs. 23,900,000.00 was for primary schools and 6,980,000.00 for secondary schools. We were also able to disburse Kshs. 58,479,236.00 to various secondary schools within the country and 27,738,826.00 to tertiary institutions benefiting close to 3,000 students within the constituency, this indicate how education wise the NGCDF funds is impacting on the lives of Kenyans with specific reference to Muhoroni constituents

In terms of social responsibility sports activities was held to help the youths showcase their talents and a total of Kshs. 2,998,000.00 was utilized on the activity.

Security is also one of the main agenda of the constituency, the constituency through the committee funded the projects of security amounting to Kshs. 33,137,236.00.

The constituency has also been able to handle emergency that emerged during the financial year.



Muhoroni Constituency

National Government Constituencies Development Fund (NGCDF)

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

Emerging issues.

During this financial year the emerging issues were;

- I. The change in school calendar for purposes of bursary disbursement.
- II. The allocation for the bursary visa vie the demand.
- III. The access road conditions within the constituency.

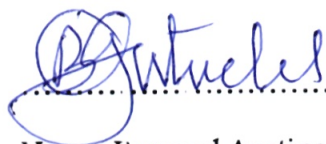
Implementation challenges

- i. Floods in the Muhoroni
- ii. Poor roads within the constituency
- iii. Limited funds to implement projects
- iv. Lack of technical staff from the board to provide advices.

Way forward

- i. The board should increasing the allocation to the constituency to facilitate the increasing the demands of the constituents specific to Muhoroni constituency especially on the bursary allocation.
- ii. The board should provide an independent works office to help in supervision of NG-CDF projects because the works officer we are using is under county Government and they are hardly available.

Muhoroni NG-CDF through the area MP has collaborated with the county government to open up the drainages to mitigate the flood in the area.



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Name: Bernard Austine Ogunu Del
CHAIRMAN NGCDF COMMITTEE

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

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of Muhoroni *Constituency 2018-2022* plan are 10:

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	Increase access and retention of learners in various learning institutions.	Improved access and completion rates among primary and secondary school children	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions	In the FY 2021/2022 the constituency constructed 15 primary school classrooms, 3 secondary school classroom. Over 4000 students have also benefited from the bursary disbursement during the financial year 2021/2022
Security	To reduce insecurity in Muhoroni Constituency by 90% by 2022.	Improved security and peace within the Sub-County and at the boundary.	Number of usable physical infrastructure build in police stations and administrative offices within	In the financial year 2021/2022 we allocated additional funds to renovate a hall, constructed houses and fencing,

Muhoroni Constituency
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			Muhoroni sub county.	Completion of DO's residential house Construction of pit latrine Summary Renovation of hall of RDU at songhor. Constructed houses of RDU at songhor. Constructed 3 chiefs' offices.
Environment	Increase tree cover from 8% to 10%	Improved local human environment through conservation of water	Planting trees and Campaigns against environmental degradation and its impact on human and animal life.	The financial year 2021/2022 we distributed water tanks to 10 schools for water conservation
Sports	To promote participation of youths in various sporting activities	Recognition of sports as an employer among the youth.	Purchase and distribution of sports kits Organize stakeholders meeting and training for the youths	In the financial year 2021/2022 we purchased sets of uniforms to 10 local football clubs in Muhoroni Stakeholder meeting was held and training of youths within the constituency
Emergency	To handle any emergency cases that occurs within the constituency.	to facilitate safety of the constituents	Renovation and repairs of classes and roads for accessibility	In the financial year 2021/2022 we build toilets and repaired roads that were affected by rains.

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

To ensure sustainability of Muhoroni NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Muhoroni NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

2. Environmental performance

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

3. Employee welfare

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

Muhoroni 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 practices ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Muhoroni 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.

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

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDF 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.

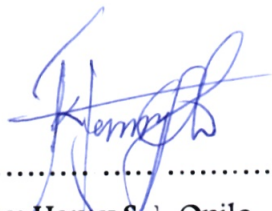
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDF 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.

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



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Name: Henry S. J. Opilo

FAM



V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Muhoroni 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.

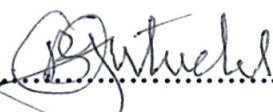
The Accounting Officer in charge of the NGCDF-Muhoroni Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards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

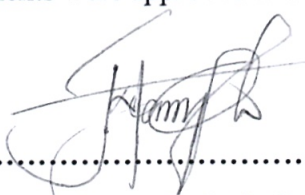
Muhoroni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

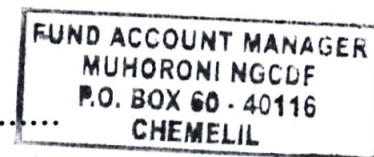
The Accounting Officer in charge of the NGCDF Muhoroni Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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-Muhoroni Constituency financial statements were approved and signed by the Accounting Officer on 30th Sep. 2022.

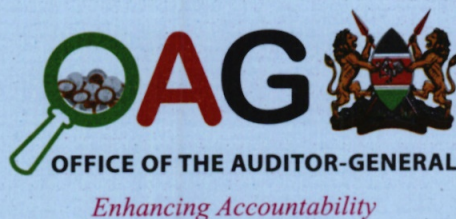

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Name: Bernard Austine Ogutu Del
Chairman – NGCDF Committee


.....
Name: Henry S. J. Opilo
Finance Account Manager



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 - MUHORONI 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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Muhoroni Constituency set out on pages 1 to 40,

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

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Muhoroni 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unsupported PMC Account Balances

Note 17.4 and Annex 5 to the financial statements reflects a balance of Kshs.311,752 for the Project Management Committee (PMC) accounts. However, Management failed to provide bank statements, bank reconciliation and bank balance confirmation certificates for the reported PMC accounts.

In the circumstances, the accuracy and completeness of the PMC account balance of Kshs.311,752 could not be confirmed.

2. Unsupported Expenditure

2.1 Unsupported Committee Allowances

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.6,986,112 on use of goods and services which includes an amount of Kshs.976,000 in respect of Committee allowances. However, Management did not provide support documents in form of notices calling for Committee meetings, attendance registers and minutes of the meetings showing the dates and deliberations during the meetings.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.976,000 incurred on Committee allowances could not be confirmed.

2.2 Unsupported Emergency Expenditure

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and other transfers amount of Kshs.136,440,336 which includes an expenditure of Kshs.9,888,320 in respect of emergency projects. The expenditure on emergency projects includes payments amounting to Kshs.1,675,000 paid to a general merchants on 21 April, 2022 vide payment voucher number 172 which

was not supported by the relevant documents such as counter receipt vouchers (S13), stores register and counter requisition and issue voucher (S11) while Kshs.1,541,400 in respect of purchase of relief food for Wairid wind victims and supply of utilities such as water dispenser, liquid soaps, face masks, sanitizers and serviette towels was not supported by a list of the beneficiaries.

In the circumstances, the occurrence and regularity of the emergency disbursement amounting to Kshs.3,216,400 could not be confirmed.

3. Unsupported Expenditure on Strategic Plan

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.6,986,112 on use of goods and services which includes an expenditure of Kshs.1,285,000 vide payment voucher number 20 dated 19 August, 2021 to a consulting firm for preparation and review of strategic plan for the constituency through Request for Quotations. However, the strategic plan prepared and reviewed by the consultant was not provided for audit review.

Further, payment vouchers and other supporting documents revealed that the Management procured goods and services worth Kshs.2,694,320 from various suppliers. Although the goods were procured through request for quotation, supporting documents such as quotation opening register, Evaluation Committee minutes, the award letters, counter receipt vouchers (S13) and counter requisition and issue vouchers (S11) were not provided for audit.

In the circumstances, the occurrence of the expenditure of Kshs.3,979,320 could not be confirmed.

4. Unsupported Expenditure on Bursary

The statement of receipts and payments and as disclosed in Note 7 to the financial statement reflects an amount of Kshs.137,725,336 in respect to other grants and other transfers which includes bursary for secondary schools and tertiary institutions totalling to Kshs.86,218,226. However, bursary disbursed amounting to Kshs.39,755,026 was not supported by acknowledgement from the benefiting institutions, minutes of the Bursary Committee and where supported, the minutes were not signed. The schedule of the beneficiary students also did not indicate the admission numbers of the students.

In the circumstances, it was not possible to confirm the regularity and occurrence of the expenditure of Kshs.39,755,026.

5. Unsupported Security Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statement reflects an amount of Kshs.136,440,336 in respect to other grants and other transfers which includes Kshs.33,137,236 incurred on security projects. However, examination of payment vouchers and other supporting documents revealed that an amount of Kshs.8,250,000 was spent on construction of Masogo DO residential house and construction of Chiefs' Offices at Kano, Fort Ternan and Ombeyi locations. Although the project was budgeted for, the same was not supported with Bills of quantities, minutes

of Opening Tender Committee, evaluation report, professional opinion, contract agreement and certificate of practical completion from the works department.

In the circumstances, the regularity of the expenditure of Kshs.8,250,000 could not be confirmed.

6. Unsupported Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 6 to the financial statement reflects transfers to other Government units amount of Kshs.30,880,000 in respect to implementation of projects in various primary and secondary schools. However, examination of payment vouchers, supporting schedules and minutes of the NGCDF Committee revealed that expenditure amounting to Kshs.16,450,000 were not properly supported as follows: -

- (i) Some of the project files did not contain invitation to tender or advertisements. It was therefore not clear how the bidders were outsourced
- (ii) Appointment letters for the Tender Opening and Evaluation Committees were not provided for audit. It was therefore, not clear how the Committees were appointed.
- (iii) Notification to unsuccessful bidders were not provided for audit.
- (iv) Certificates of Practical Completion for some of the projects were not provided for audit. It was therefore not possible to ascertain whether the works were satisfactorily done and in accordance with the specification in the Bills of Quantities.
- (v) Minutes of both Opening and Evaluation Committees were not provided for audit.

In the circumstances, it was not possible to confirm the regularity of the expenditure of Kshs.16,450,000.

7. Lack of Ownership and Valuation Documents

Included in the summary of fixed assets balance of Kshs.43,459,560 reflected in Annex 4 to the financial statement is an office block with a total value of Kshs.17,000,000. However, the land on which the office was constructed was excluded from the register and the summary of the fixed assets balance of Kshs.43,459,560. Further, the constituency had only an allotment letter for the land. The accuracy of the office block balance of Kshs.17,000,000 could not be confirmed since no valuation was carried out.

In addition, the constituency's fixed assets reflect transport equipment with a total value of Kshs.23,000,520 which includes a Toyota Double Cabin, a Grader and a Motor Cycle whose log books were not provided for audit. Physical verification revealed that they were all grounded outside the NGCDF compound for undetermined period.

In the circumstances, it was not possible to confirm the ownership and accuracy of the fixed assets balance of Kshs.42,656,137.

8. Compensation of Employees - Unexplained Deductions of Salary Payments

The statement of receipts and payments under Note 4 reflects compensation of employees amount of Kshs.6,928,270 which includes basic salaries totalling to Kshs.3,546,000. It was however, noted that during the year under review, a total of Kshs.90,000 was deducted from the staff salary.

The deduction started way back in April, 2018 and February, 2019 for nine office assistants and one driver employees resulting in cumulative total deductions of Kshs.263,250, and Kshs.21,750 respectively totalling to Kshs.375,000. No explanation was given for the salary deductions which is contrary to the respective employee's appointment letters.

Further, examination of the payroll records and payment vouchers provided for audit revealed that although two staff were given salary increment of Kshs.10,000 each, scrutiny of their personal file showed that the staff were not promoted. No explanation was given why the staff were paid more than what is stipulated in their appointment letters.

In the circumstances, the validity of the employees' expenditure and deductions 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 - Muhoroni 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 adverse opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis totalling to Kshs.251,291,212 and Kshs.225,202,333 respectively, resulting to an underfunding of Kshs.26,088,879 or 10% of the budget. Similarly, the Fund spent Kshs.185,595,693 against an approved budget of Kshs.251,291,213 resulting to an under expenditure of Kshs.65,695,520 or 26% of the budget.

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

2. Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. The report on progress on follow-up of the auditor's recommendations in the financial statements for the year under review indicates that some of the issues had been resolved and work to resolve the remainder was ongoing as at 30 June, 2022 and the actual status of all the issues will be confirmed after they are discussed by the Oversight Committee.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Establish an Internal Audit Function and Audit Committee

The Fund does not have an internal auditor in place. Further, review of the key entity information and management in the financial statements indicate that the constituency had not established an Audit Committee. This is contrary to Section 73(1) which provides that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board and Section 73(5) of the Public Finance

Management Act, 2012 provides that; every National Government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the Constituency did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

2. Lack of Approved ICT Policy and IT Strategic Committee

A review of the ICT structure and its strategies revealed that the Institution did not have in place an approved ICT policy, an ICT Strategic Committee, a Data Security Management Policy or an approved back up policy. Further, a review of the staff files revealed that there was no officer in charge of ICT. This is contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall ensure that the national government entity develops risk management strategy which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the absence of ICT strategy, ICT Policy and robust back up plans, the Institution is exposed to possible loss of data, resources and disruption of operations in case of a disaster or calamity.

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

Responsibilities of Management and those Charged with Governance

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

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

The Management is 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 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

01 August, 2023

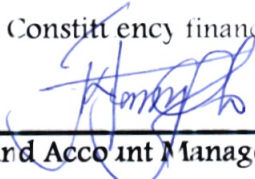
Muhoroni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

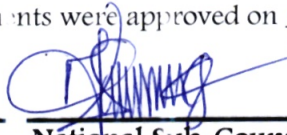
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

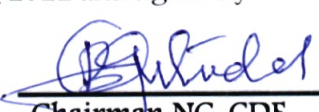
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	168,664,854	148,791,749
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		168,664,854	148,791,749
Payments			
Compensation Of Employees	4	6,928,270	3,707,280
Use Of Goods and Services	5	6,986,112	6,998,127
Transfers To Other Government Units	6	30,880,000	39,974,000
Other Grants and Transfers	7	136,440,336	45,373,815
Acquisition Of Assets	8	-	739,670
Other Payments	9	4,360,975	-
Total Payments		185,595,693	96,792,892
Surplus/(Deficit)		(16,930,839)	51,998,857

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 30th sep. 2022 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Her ry S J Opilo

Name: Isabella S.N Omoke
ICPAK M/No:

Name: Bernard A Ogutu Del

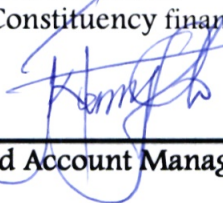


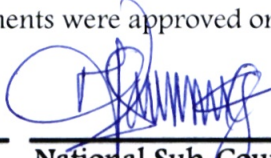
VIII. Statement of Assets and Liabilities as At 30th June, 2022

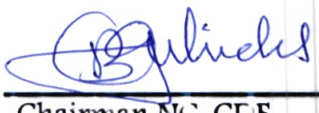
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	39,606,640	56,537,479
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		39,606,640	56,537,479
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		39,606,640	56,537,479
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		39,606,640	56,537,479
Net Financial Assets		<u>39,606,640</u>	<u>56,537,479</u>
Represented By			
Fund Balance B/Fwd	13	56,537,479	4,538,622
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(16,930,839)	51,998,857
Net Financial Position		39,606,640	56,537,479

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 30th Sep 2022 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Henry S.J. Opilo

Name: Isabella S.N. Omoke
ICPAK M/No:

Name: Bernard A. Ogutu Del

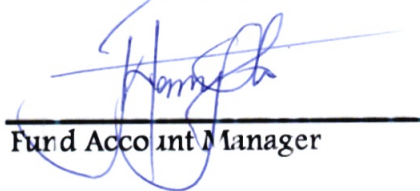


IX. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	168,664,854	148,791,749
Other Receipts	3	-	-
Total Receipts		168,664,854	148,791,749
Payments			
Compensation Of Employees	4	6,928,270	3,707,280
Use Of Goods and Services	5	6,986,112	6,998,127
Transfers To Other Government Units	6	30,880,000	39,974,000
Other Grants and Transfers	7	136,440,336	45,373,815
Other Payments	9	4,360,975	-
Total Payments		185,595,693	96,053,222
Total Receipts Less Total Payments			
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(16,930,839)	52,738,527
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	(739,670)
Net Cash Flows from Investing Activities		-	(739,670)
Net Increase In Cash And Cash Equivalent		(16,930,839)	51,998,857
Cash & Cash Equivalent At Start Of The Year	10	56,537,479	4,538,622
Cash & Cash Equivalent At End Of The Year		39,606,640	56,537,479

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

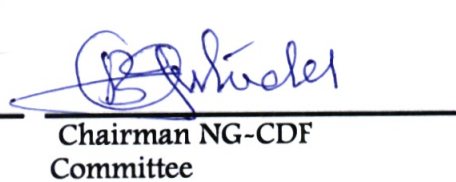
The Constituency financial statements were approved on 30th Sep 2022 and signed by:


Fund Account Manager

Name: Hermy S.I. Opilo


National Sub-County Accountant

Name: Isabella S.N. Omoke
ICPAK M/ No:


Chairman NG-CDF Committee

Name: Bernard A Ogutu Del



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

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

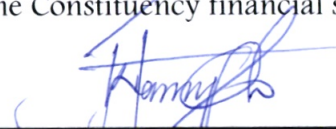
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	B		c=a+b	d	e=c-d	f=d/c %
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
Receipts							
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	56,537,479	57,664,854	251,291,212	225,202,333	26,088,879	89.6%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	#DIV/0!
Totals	137,088,879	56,537,479	57,664,854	251,291,212	225,202,333	26,088,879	89.6%
Payments							
Compensation Of Employees	6,819,076	1,521,295	-	8,340,371	6,928,270	1,412,101	83.1%
Use Of Goods and Services	5,518,923	367,011	-	5,885,934	6,986,112	(1,100,178)	118.7%
Transfers To Other Government Units	44,000,000	44,278,000	28,153,964	116,431,964	30,880,000	85,551,964	26.5%
Other Grants and Transfers	80,750,880	10,371,172	26,434,917	117,556,969	136,440,336	(18,883,367)	116.1%
Acquisition Of Assets	-	-	-	-	-	-	#DIV/0!
Other Payments	-	-	3,075,975	3,075,975	4,360,975	(1,285,000)	141.8%
Funds Pending Approval							
Totals	137,088,879	56,537,479	57,664,855	251,291,213	185,595,693	65,695,520	73.9%

Underutilization was as a results of funds received towards the closure of financial year and the projects could not be implemented.

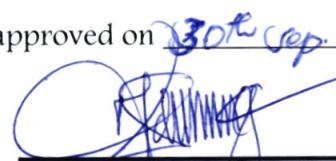
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilisation difference totals	65,695,520
Less undisbursed funds receivable from the Board as at 30 th June 2022	26,088,879
	39,606,640
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	39,606,640

The Constituency financial statements were approved on 30th Sep 2022 and signed by:


Fund Account Manager

Name: Henry S.J. Opilo


National Sub-County Accountant

Name: Isabella S.N. Omoke
ICPAK M/No:


Chairman NG-CDF Committee

Name: Bernard A Ogutu Del



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,819,076	1,521,295	-	8,340,371	6,928,270	1,412,101
1.2 Committee allowances	520,000	-	-	520,000	520,000	-
1.3 Use of goods and services	886,256.84	367,011	-	1,253,268	1,253,268	-
	8,225,333	1,888,306	-	10,113,639	8,701,538	1,412,101
2.0 Monitoring and evaluation						
2.1 Capacity building	1,272,666	-	-	1,272,666	1,272,666	-
2.2 Committee allowances	728,000	-	-	728,000	728,000	-
2.3 Use of goods and services	2,112,000	-	-	2,112,000	3,212,178	(1,099,178)
	4,112,666	-	-	4,112,666	5,212,844	(1,099,178)
3.0 Emergency						
3.1 Emergency Projects	7,192,207		3,491,375	10,683,582	9,888,320	795,262
	7,192,207	-	3,491,375	10,683,582	9,888,320	795,262
4.0 Bursary and Social Security						
4.1 Secondary Schools	32,481,108		7,548,769	40,029,877	58,479,400	(18,449,523)
4.2 Tertiary Institutions	15,500,000		262,860	15,762,860	27,738,826	(11,975,966)
4.3 Social Security	-			-	-	-
4.4 Special needs	-			-	-	-
	47,981,108	-	7,811,629	55,792,737	86,218,226	(30,425,489)

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			
5.0 Sports						
5.1 Sports	2,741,778	254,202		2,995,980	2,998,000	(2,020)
	2,741,778	254,202	-	2,995,980	2,998,000	(2,020)
6.0 Environment						
Our Lady Queen of Peace Secondary	260,000			260,000	260,000	-
God Abuoro Secondary School	260,000			260,000	260,000	-
Muhoroni Primary School	260,000			260,000	260,000	-
Chemelil B1 Primary School	260,000			260,000	260,000	-
Chemelil Factory Primary School	260,000			260,000	260,000	-
Kibos Research Secndary School	260,000			260,000	260,000	-
Mutwala Primary School	260,000			260,000	260,000	-
Kibigori Secondary School	260,000			260,000	260,000	-
Ngeny Special School	260,000			260,000	260,000	-
Kibigori Primary School	260,000			260,000	260,000	-
Obago Primary School	141,778			141,778	141,777	1
Oseng'teti Primary School		260,000		260,000	260,000	-
Makindu Primary School		260,000		260,000	260,000	-
Nyando Secondary School		260,000		260,000	260,000	-
Ogilo Primary School		260,000		260,000	260,000	-
Magare Primary School		260,000		260,000	260,000	-
Masara Primary School		260,000		260,000	260,000	-

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
Kibos Sugar Research Primary School		260,000		260,000	260,000	-
Koru Township Primary School		260,000		260,000	260,000	-
St. Stephens' Menara Secondary School		260,000		260,000	260,000	-
Wuok Primary School		260,000		260,000	260,000	-
Sanda Primary School		141,778		141,778	141,777	1
Sanda Primary School			354	354		354
Total	2,741,778	2,741,778	354	5,483,910	5,483,554	356
7.0 Primary Schools Projects (List all the Projects)						
Kibigori Primary School	2,200,000			2,200,000	-	2,200,000
Achego Primary School	2,200,000			2,200,000	-	2,200,000
Mashambani Primary School	2,200,000			2,200,000	-	2,200,000
Mikiria Primary School	2,200,000			2,200,000	-	2,200,000
Ogwado Primary School	2,200,000			2,200,000	-	2,200,000
Okwach Primary School	1,100,000			1,100,000	-	1,100,000
Angogo Primary School	1,100,000			1,100,000	-	1,100,000
Osiri Migere Primary School	2,200,000			2,200,000	-	2,200,000
Amilo Primary School	2,200,000			2,200,000	-	2,200,000
Ng'eny Primary School	1,100,000			1,100,000	-	1,100,000
Nyang'oma Primary School	2,200,000			2,200,000	-	2,200,000
Kibos Prison Primary School	2,200,000			2,200,000	-	2,200,000
Ogwedhi Primary School	2,200,000			2,200,000	-	2,200,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
Muhoroni Township Primary School	2,200,000			2,200,000	-	2,200,000
Muhoroni Primary School	2,200,000			2,200,000	-	2,200,000
Kang'o Primary School	2,200,000			2,200,000	-	2,200,000
Marega Primary School	2,200,000			2,200,000	-	2,200,000
Obumba Primary School	2,200,000			2,200,000	-	2,200,000
Nyang'ore Primary School		1,650,000		1,650,000	1,490,000	160,000
Oseng'letti Primary School		1,650,000		1,650,000	1,490,000	160,000
Makindu Primary School		1,650,000		1,650,000	1,490,000	160,000
Songhor Primary School		1,650,000		1,650,000	1,490,000	160,000
Oduwo Primary School		1,600,000		1,600,000	1,600,000	-
Ogilo Primary School		1,650,000		1,650,000	1,490,000	160,000
Sanda Primary School		2,450,000		2,450,000	2,210,000	240,000
Kolang Primary School		1,650,000		1,650,000	1,490,000	160,000
Magare Primary School		2,450,000		2,450,000	2,210,000	240,000
Nyagoto Primary School		1,650,000		1,650,000	1,490,000	160,000
Masara Primary School		1,650,000		1,650,000	1,490,000	160,000
Ramula Primary School		1,650,000	1,650,000	3,300,000	1,490,000	1,810,000
tribe Group Research Primary School		1,650,000		1,650,000	1,490,000	160,000
Mariwa Primary School		1,650,000		1,650,000	1,490,000	160,000
Nyando Primary School		1,650,000		1,650,000	1,490,000	160,000
Pawlene primary school			1,650,000	1,650,000	-	1,650,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Nyakoko primary school			1,650,000	1,650,000	-	1,650,000
Karunga Primary school			170,000	170,000	-	170,000
Bacho primary school			1,650,000	1,650,000	-	1,650,000
Kibigori Railways primary school			(800,000)	(800,000)	-	(800,000)
Kibigori primary school			50,000	50,000	-	50,000
Kipturi primary school			1,650,000	1,650,000	-	1,650,000
Tamu primary school			1,650,000	1,650,000	-	1,650,000
	36,300,000	26,300,000	9,320,000	71,920,000	23,900,000	48,020,000
8.0 Secondary Schools Projects (List all the Projects)						
God Abirero Secondary School	1 100 000			1 100 000	-	1 100 000
Hon koyoo Mixed Secondary School	2,200,000			2,200,000	-	2,200,000
Our Lady Queen of Peace Secondary	2,200,000			2,200,000	-	2,200,000
Nyakoko Girls Secondary School	2,200,000			2,200,000	-	2,200,000
Mwai Abiero Ogen Secondary School		1,650,000		1,650,000	1,490,000	160,000
Ngere Kagoro Mixed Secondary School		2,450,000	5,000,000	7,450,000	2,210,000	5,240,000
Hon koyoo Mixed Secondary School		8,500,000		8,500,000	-	8,500,000
St. Rita Ramula Girls Secondary School		1,650,000		1,650,000	1,490,000	160,000
St. Augustine R.C Secondary School		1,650,000		1,650,000	1,490,000	160,000
Mutwala Girls Secondary School		650,000		650,000	300,000	350,000
St. Stephens' Menara Secondary School		1,300,000		1,300,000	-	1,300,000

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			
Miwani secondary school			5,000,000	5,000,000	-	5,000,000
Achege Girls secondary school		128,000.00	175,964	303,964	-	303,964
	7,700,000	17,978,000	10,175,964	35,853,964	6,980,000	28,873,964
9.0 Tertiary institutions Projects (List all the Projects)						
Aoro Ndinya TTI	-		8,658,000	8,658,000	-	8,658,000
	-	-	8,658,000	8,658,000	-	8,658,000
10.0 Security Projects						
Muhoroni Subcounty Headquarters	4,000,000			4,000,000	3,996,400	3,600
Miwani Assistant County Commissioner's House	2,150,000		2,500,000	4,650,000	4,650,000	-
Kenya Rapid Deployment Unit - Songhor	3,000,000			3,000,000	-	3,000,000
Kenya Rapid Deployment Unit - Songhor	700,000			700,000	-	700,000
Muhoroni NGCDF Office	5,444,010	7,375,192	159,180	12,978,382	12,646,826	331,556
Kora Chiefs' Office	1,200,000			1,200,000		1,200,000
Ngere Kagoro – Police Post	1,200,000			1,200,000	-	1,200,000
Miwani Police Station	1,200,000			1,200,000	-	1,200,000
Muhoroni Police Post	1,200,000			1,200,000	-	1,200,000
Muhoroni Sub County Treasury Office	-		128,369	128,369	-	128,369
Kenya Rapid Deployment Unit Songhor	-		6,671,640	6,671,640	6,671,640	0
Kenya Rapid Deployment Unit Songhor	-		1,572,370	1,572,370	1,572,370	0
Fort Ternan Chiefs' Office	-		1,200,000	1,200,000	1,200,000	

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
North East Kano Chiefs' Office	-		1,200,000	1,200,000	1,200,000	
Ombeyi Chiefs' Office	-		1,200,000	1,200,000	1,200,000	
Muhoroni Chiefs' Office	-		250,000	250,000	-	250,000
Nyangoma Chiefs' Office	-		250,000	250,000	-	250,000
	20,094,010	7,375,192	15,131,559	42,600,761	33,137,236	9,463,525
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Road			3,075,975	3,075,975	3,075,975	-
12.2				-	-	-
		-	3,075,975	3,075,975	3,075,975	-
Funds pending approval**						
Total	137,088,879	56,537,478	57,664,856	251,291,213	185,594,693	65,696,520

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 (IPBAS) 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-Muhoroni Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 104529		56,791,749
AIE NO. B 124622		9,000,000
AIE NO. B 119583		8,500,000
AIE NO. B 119975		12,000,000
AIE NO. B 129178		7,000,000
AIE NO. B 128216		6,900,000
AIE NO. B 132272		6,000,000
AIE NO. B 126044		13,000,000
AIE NO. B 126283		7,000,000
AIE NO. B 105028		10,600,000
AIE NO. B 140671		12,000,000
AIE NO. B 105223	33,000,000	
AIE NO. B 105520	44,000,000	
AIE NO. B 105879	22,000,000	
AIE NO. B 128684	5,000,000	
AIE NO. B 128948	12,000,000	
AIE NO. B 154144	12,000,000	
AIE NO. B 164374	18,000,000	
AIE NO. B 155889	10,088,879	
AIE NO. A 895072	12,575,975	
AIE NO. B 104529		56,791,749
TOTAL	168,664,854	148,791,749

Notes to the Financial Statements (Continued)

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	-	-

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,546,000	3,546,000
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	3,218,110	-
Employer Contributions Compulsory national social security schemes	164,160	161,280
Total	6,928,270	3,707,280

Notes to the Financial Statements (Continued)

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	1,626,145	924,500
Communication, supplies and services	53,620	129,000
Domestic travel and subsistence	787,000	-
Printing, advertising and information supplies & services	568,500	1,758,120
Rentals of produced assets	-	-
Training expenses	108,625	-
Hospitality supplies and services	916,120	406,348
Other committee expenses	-	135,000
Committee allowance	976,000	1,706,000
Insurance costs	-	-
Specialized materials and services	-	136,500
Office and general supplies and services	1,787,841	677,690
Other operating expenses	-	-
Bank service commission and charges	48,831	16,579
Other Operating Expenses	-	168,360
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance - other assets	113,430	795,690
Total	6,986,112	6,998,127

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	23,900,000	27,154,000
Transfers To Secondary Schools (See Attached List)	6,980,000	12,820,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	30,880,000	39,974,000

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Notes to The Financial Statements (Continued)

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	58,479,400	21,238,044
Bursary – tertiary institutions (see attached list)	27,738,826	11,542,260
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security projects (see attached list)	33,137,236	1,421,631
Sports projects (see attached list)	2,998,000	1,038,800
Environment projects (see attached list)	5,483,554	-
Emergency projects (see attached list)	9,888,320	7,132,930
Total	137,725,336	45,373,815

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	380,000
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	359,670
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	739,670

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Roads	3,075,975	-
Total	3,075,975	-

Notes to the Financial Statements (Continued)

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	39,606,640	56,537,479
<i>KCB Muhoroni, Account No. 1104058669</i>		
Total	39,606,640	56,537,479
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

11: Outstanding Imprests

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

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	-	-

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Notes to the Financial Statement Continued

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	53,537,479	4,538,622
Cash in hand	-	-
Imprest	-	-
Total	53,537,479	4,538,622

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	-	-	-

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Notes to the Financial Statement Continued

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-E	-	-

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	1,412,101	1,521,295
Use of goods and services	(1,100,178)	726,681
Amounts due to other Government entities (see attached list)	85,551,964	72,431,964
Amounts due to other grants and other transfers (see attached list)	(20,168,367)	27,721,716
Acquisition of assets	-	-
Other payments	-	-
Funds pending approval	-	-
Total	65,695,520	114,202,333

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	311,752	28,720
Total	311,752	28,720

Muhoroni Constituency
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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

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

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,412,101	1,521,295	
Use of goods & services		(1,099,178)	367,011	
		314,429	1,888,306	
Amounts due to other Government entities		-		
Primary School				
Nyang'ore Primary School	construction of 2 classrooms	160,000	1,650,000	
Oseng'teti Primary School	construction of 2 classrooms	160,000	1,650,000	
Makindu Primary School	construction of 2 classrooms	160,000	1,650,000	
Songhor Primary School	construction of 2 classrooms	160,000	1,650,000	
Oduwo Primary School	construction of 2 classrooms	-	1,600,000	
Ogilo Primary School	construction of 2 classrooms	160,000	1,650,000	
Sanda Primary School	construction of 3 classrooms	240,000	2,450,000	
Kolang Primary School	construction of 2 classrooms	160,000	1,650,000	
Magare Primary School	construction of 3 classrooms	240,000	2,450,000	
Nyagoto Primary School	construction of 2 classrooms	160,000	1,650,000	
Macara Primary School	construction of 2 classrooms	160,000	1,650,000	
Ramula Primary School	construction of classrooms	1,810,000	3,300,000	
Kibos Sugar Research Primary School	construction of 2 classrooms	160,000	1,650,000	
Mariwa Primary School	construction of 2 classrooms	160,000	1,650,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Nyando Primary School	construction of 2 classrooms	160,000	1,650,000	
Pawteng primary school	construction of 2 classrooms	1,650,000	1,650,000	
Nyakoko primary school	construction of 2 classrooms	1,650,000	1,650,000	
Karunga Primary school	construction of 2 classrooms	170,000	170,000	
Bacho primary school	construction of 2 classrooms	1,650,000	1,650,000	
Kibigori Railways primary school	construction of 2 classrooms	(800,000)	(800,000)	
Kibigori primary school	construction of 2 classrooms	50,000	50,000	
Kipturi primary school	construction of 2 classrooms	1,650,000	1,650,000	
Tamu primary school	construction of 3 classrooms	1,650,000	1,650,000	
Kibigori Primary School	construction of 2 classrooms	2,200,000		
Achego Primary School	construction of 2 classrooms	2,200,000		
Mashambani Primary School	construction of 2 classrooms	2,200,000		
Mikiria Primary School	construction of 2 classrooms	2,200,000		
Egwoto Primary School	construction of 2 classrooms	2,200,000		
Okwach Primary School	construction of 2 classrooms	1,100,000		
Angogo Primary School	construction of 2 classrooms	1,100,000		
Osiri Migere Primary School	construction of 2 classrooms	2,200,000		
Amilo Primary School	construction of 2 classrooms	2,200,000		
Ng'eny Primary School	construction of 2 classrooms	1,100,000		
Nyang'oma Primary School	construction of 2 classrooms	2,200,000		

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Kibos Prison Primary School	construction of 2 classrooms	2,200,000		
Ogwedhi Primary School	construction of 2 classrooms	2,200,000		
Muhoroni Township Primary School	construction of 2 classrooms	2,200,000		
Muhoroni Primary School	construction of 2 classrooms	2,200,000		
Kang'o Primary School	construction of 2 classrooms	2,200,000		
Marega Primary School	construction of 2 classrooms	2,200,000		
Obumba Primary School	construction of 2 classrooms	2,200,000		
Secondary School				
Mwai Abiero Ogen Secondary School	construction of 2 classrooms	160,000	1,650,000	
Ngere Kagoro Mixed Secondary School	construction of 2 classrooms	5,240,000	7,450,000	
Hon koyoo Mixed Secondary School	construction of administration block and classrooms	10,700,000	8,500,000	
St. Rita Ramula Girls Secondary School	construction of 2 classrooms	160,000	1,650,000	
St. Augustine P.C. Secondary School - Kandaga	construction of 2 classrooms	160,000	1,650,000	
Mutwala Girls Secondary School	renovation of classrooms	160,000	650,000	
St. Stephens' Menara Secondary School	completion of dinning hall	1,300,000	1,300,000	
Achego Girls secondary school		303,964	303,964	
Miwani secondary school		5,000,000	5,000,000	
God Abuoro Secondary School	construction of 1 classrooms	1,100,000		
Our Lady Queen of Peace Secondary	construction of 2 classrooms	2,200,000		

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Nyakoko Girls Secondary School	construction of 2 classrooms	2,200,000		
Tertiary Institution		8,658,000		
Sub-Total		85,361,964	63,773,964	
Amounts due to other grants and other transfers				
Kenya Rapid Deployment Unit Songhor	construction of 50 capacity hall	3,000,000	6,671,640	
Kenya Rapid Deployment Unit Songhor	completion of staff houses and construction of amery	700,000	1,572,370	
Fort Ternan Chiefs' Office	construction of chiefs office		1,200,000	
North East Kano Chiefs' Office	construction of chiefs office		1,200,000	
Ombeyi Chiefs' Office	construction of chiefs office		1,200,000	
Muhoroni Chiefs' Office	purchase of office furnitures	250,000	250,000	
Nyangoma Chiets' Office	purchase of office furnitures	250,000	250,000	
Completion of A.C.C Office at Miwani	construction of DOs residential house		2,500,000	
Kem. Chiefs' Office	construction of chiefs office	1,200,000		
Ngere Kagoro – Police Post	construction of chiefs office	1,200,000		
Miwani Police Station	construction of chiefs office	1,200,000		
Muhoroni Police Post	construction of chiefs office	1,200,000		
Bursary				
Secondary Schools	Payment of bursary to needy student	(18,449,523)	7,548,769	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Tertiary Institutions	Payment of bursary to needy student	(11,975,966)	262,860	
Sport	Carry out Constituency Sports tournament and the winning teams to be awarded with trophies, balls, and games kits	(2,020)	254,202	
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	795,262	3,491,375	
Environment	Supply and installation of one 10,000ltrs water tanks, construction of tank base and cuter works	356	2,742,132	
Sub-Total		(20,631,891)	29,143,348	
Acquisition of assets				
Construction of CDF office	renovation of the NGCDF office	331,556	7,534,372	
Others (<i>specify</i>)				
Muhoroni Sub County Treasury Office	renovation of subcounty treasury office	131,969	128,369	
Sub-Total		463,525	7,662,741	
Funds pending approval		-	11,733,975	
Grand Total		65,695,520	114,202,334	

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	17,000,000	-	-	17,000,000
Transport equipment	23,000,520	-	-	23,000,520
Office equipment, furniture and fittings	3,195,982	-	-	3,195,982
ICT Equipment, Software and Other ICT Assets	263,058	-	-	263,058
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	43,459,560	-	-	43,459,560

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
Fort Ternan Chiefs' Office	ABC BANK	4215001006275	26/04/2022	114,957	-
North East Kano Chiefs' Office	ABC BANK	4125001006151	29/11/2021	268	-
Ombeyi Chiefs' Office	ABC BANK	4215001006150	29/11/2021	1,352	-
Miwani Estate Primay School	KCB	1272655717		-	375
Orenge Primary School	KCB	1272647374		-	7,664
Nyatao Primary School	KCB	1273787730		-	1,075
Nyadundo Primary School	KCB	1273806182		-	475
Nyang Primary School	KCB	1273963504		-	795
Sauset Primary School	KCB	1272009599		-	475
Ngeny Seondary school	KCB	1253177104		-	1,790
St.Stephens Menara sec. school	KCB	1104075717		-	9,043
Kibigori secondary school	KCB	1111796386		-	2,985
St.Boniface Magare sec. school	KCB	1243365765		-	866
Our Lady Queen Of peace	KCB	1272870235		-	1,143
God Abuoro Sec. School	KCB	1111865809		-	2,034
Ogilo Primarv School	NATIONAL	1022241816000	21/11/2021	1,675	-
Sanda Primarv School	NATIONAL	1022241949600	25/11/2021	1,675	-
Kolang Primary School	NATIONAL	1022240044100	25/11/2021	275	-

PMC	Bank	Account number	Date of Opening	Bank Balance 2021/22	Bank Balance 2020/21
Ramula Primary School	NATIONAL	1022243909000	16/2/2022	1,275	-
Mariwa Primary School	NATIONAL	1022241951400	16/2/2022	190,275	-
Total				311,752	28,720

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)
4.4 Lack of Approved Budget in purchase of ICT laptops	In note 8 to the financial statement reflects Kshs 380,000 and 359,670 in respect to refurbishment of buildings and purchase of ICT equipment's respectively. It was noted that the purchase of laptops and refurbishment of the CDF building from supplier LPO number 46666 and 46653 respectively were not budgeted from the approved budget that was presented for verification.	Purchase of the laptops was factored in the administration and recurrent votes which are approved by the NG-CDF. The line item though is not reflected directly under administration vote but its allowable expense under administration vote.	Resolved	
4.7 Unavailability of Inspection and Acceptance Committee Report on Procured Laptops Criteria	NGCDF managed to procure 5 laptops from a supplier vide ORA/NG-CDF/MRN/001 at a cost of Kshs 359,670 that was delivered on 1st March 2021. The supplier was identified through request for quotation in which three bids were placed. It was further noted that there was no report by the inspection and acceptance committee for the delivered	The procurement of the laptops were done during COVID 19 pandemic which most of the process were done outside the office which led to misplacement of the inspection and acceptance report. The document has since been traced and found	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	laptops to confirm if the LPO number 46666 requirements were actually realized.	and placed in the right file.		
4.8 Lack of gratuity payment	In note 4 to the financial statements reflects Kshs. 3,707,780 in respect to the compensation of employees? From the documents availed for verification it was noted that there was no gratuity payment for the staff after the three year contract period signed in the appointment letter contrary to the Section 10 of the National Government Constituency Development Fund Board circular 2013	Gratuity payment has historical challenge due to budget constrain and for the reason gratuity is allocated partially each financial year until it will be full for the full payment of the pending gratuity. In the case half of the amount was allocated for in the financial year 2020/2021 and the other half was allocated in f/y 2021/2022 which was paid in full to the staff.	Resolved	
4.10 Review of Financial Statements	Audit review of Muhoroni NGCDF financial statements for the year ending 30th June 2021 had the following observations; 1. AIE serial Numbers quoted in the F/S under Note NO. 1 are different from the serial Numbers of the physical documents submitted for audit.	Serialization of the AIEs was erroneously done it has since been corrected. Other expenses are expenses that are allowable but are not pinned to particular activities. They fall under administration goods and services and	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	2. Under use of good and services Note No5, there is a balance of ksh.99, 340 and 168,360 listed as other operating expenses. The breakdown of both amounts have not been provided. 3. Unresolved prior year audit issues regarding refurbished national treasury office still not in use. Further, under financial year under review Kshs 1,421,631.00 was used to enhance security on the building yet it is still not in use.	monitoring and evaluation goods and services. The treasury office cannot move to new office due to lack of security personnel since the office hold highly confidential and important documents that can't be left unsecured.		
4.11 Repair of Muhoroni Sub county Treasury Offices.	Repair of Muhoroni Sub County Treasury was not supported by User request to initiate the repairs.	The document was erroneously miss filed it has since been found and filed accordingly.	Resolved	

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 Name: Henry S.J. Opilo
 Fund Account Manager.

FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60 - 40116
CHEMELIL