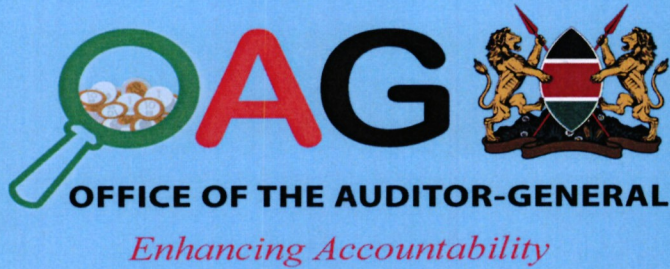



REPUBLIC OF KENYA



REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

 <b>THE AUDITOR-GENERAL</b>	
THE NATIONAL ASSEMBLY	
P	
DATE: 05 JUL 2023	DAY: WED
TABLED BY: Hon Owen Bayo, CBS, MP Deputy leader majority party	ON
CLERK-AT THE-TABLE: Finlay Muriuki	

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
SOUTH MUGIRANGO CONSTITUENCY**

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

*Revised Template 30<sup>th</sup> June 2022*



---

**SOUTH MUGIRANGO CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

---

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

*Leave it blank*

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

---

**Table of Contents**

	Page
I. Key Constituency Information and Management .....	iii
II. NG-CDFC Chairman’s Report .....	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22 .....	xii
IV. Environmental and Sustainability Reporting .....	xiv
V. Statement Of Management Responsibilities.....	xviii
VI. Report Of the Independent Auditors On The NGCDF- xx Constituency .....	xx
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022 .....	1
VIII. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2022.....	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022 .....	3
X. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2022 .....	4
X. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2022 .....	7
XI. Significant Accounting Policies .....	20
XII. Notes To the Financial Statements .....	26

## **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;

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

---

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**Functions of NG-CDF Committee**

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

**(b) Key Management**

The South Mugirango 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 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Francis Ogutu Onyango
2.	Sub-County Accountant	Richard Nyachoti
3.	Chairman NG-CDFC	Teresa Mose Bochere
4.	Member NG-CDFC	Ezekiel Ombaso

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 991-Kisii  
CDF Office Complex  
Gucha South -Nyamarambe  
KENYA

**South Mugirango Constituency NGCDF Contacts**

Telephone: (254) 725912723  
E-mail: [cdfsouthmugirango@ngcdf.go.ke](mailto:cdfsouthmugirango@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(f) South Mugirango Constituency NGCDF Bankers**

Cooperative Bank of Kenya  
Rongo Branch  
P.o Box

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

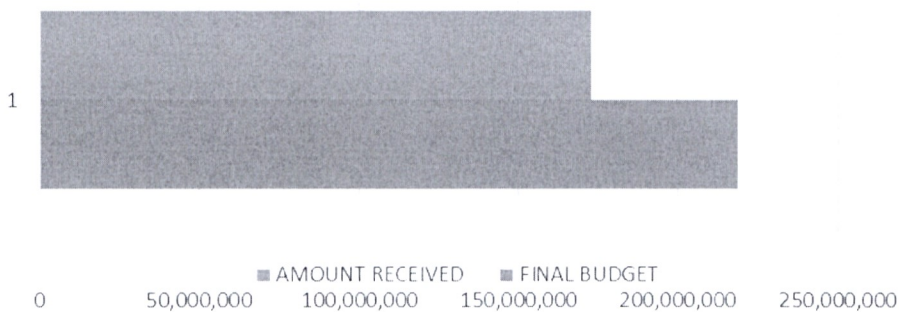
**II. NG-CDFC Chairman's Report**



**Teresa Mose Bochere**  
**Chair person, South Mugirango NG-CDFC**

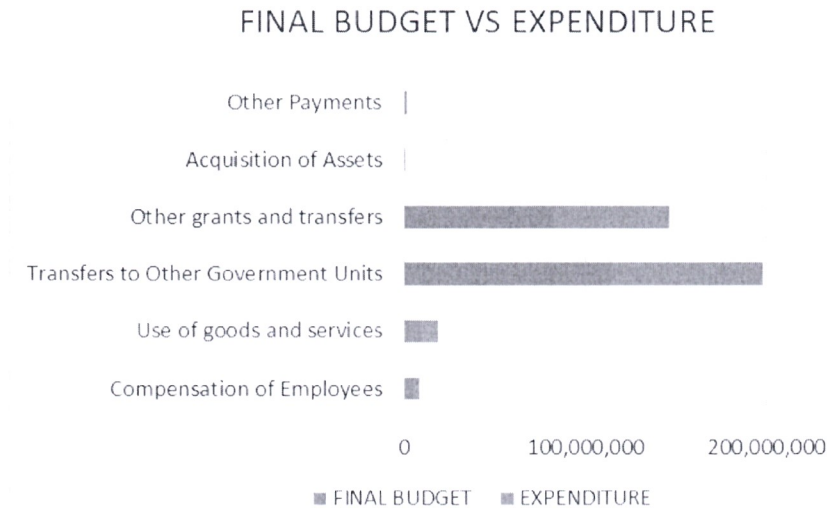
It is my pleasure to present to you South Mugirango NG-CDF's annual report and financial statements for the financial year 2021-2022.  
In the financial year 2021-2022, South Mugirango had a Final budget of Ksh 194,578,261.31  
However the availed/available funds for use was Ksh. 164,400,403.65. See below:

**BUDGET FINANCING CHART**

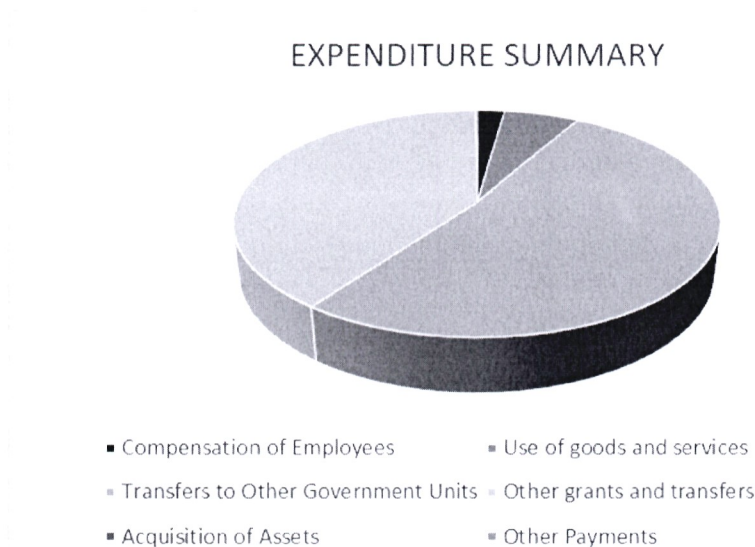


**South Mugirango Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

The actual amounts utilised by the constituency in its various expense items were less than 100% of its budget allocation, this was occasioned by under disbursement of the budgeted funds from the NGCDF BOARD. See below:



Most expenditure was on primary and secondary school project (transfer to other government units) and security, emergency, sports, environment projects and bursary (other grants and transfers). See below:



The targeted achievement of 100% could also not been achieved due the post Covid-19 pandemic causing the taxman to achieve their revenue collection target thus affecting negatively on fund disbursements to the committee.

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

---

**Key achievements;**

The increased spending to Ksh 164,400,403.65 from Ksh 120,342,162.00 has affected positively transfer to governments entities which has improved infrastructure in schools in terms of increased classrooms, science laboratories, and dormitories, this has improved the school learning atmosphere and increased students and pupil enrolments.

The NG-CDF bursary has helped retain students from low-income families in various learning institution

The committee has successfully continued to procure 52 seater school buses,

The management is however not devoid of the following implementation challenges,

- i. Inadequate and well training staff this
- ii. Lack of uniform, standard and approved monitoring tool to assist in project monitoring
- iii. Inadequate technical staff to assist in implementation of projects.
- iv. Delay in project implementation due inadequate technical staff

The management has however continued to invest on.

- i. Competitive recruitment of qualified staff coupled with frequent capacity building on the existing and new staff.
- ii. Pressurising the board to issue uniform, standard and approved monitoring tool to assist in project monitoring.
- iii. Inadequate technical staff to assist in implementation of projects has been an issue since the management has no control on the same, however the management has recruited a technical staff whose works still need approval from the inadequate technical staff.



*RE*



Gesonso Primary School – Completion of administration office



Kenyoro primary School –Completion of Administartion Office.

**Signature**

.....  
**TERESA MOSE  
CHAIRMAN NGCDF COMMITTEE**

### **III.STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2022/23**

#### **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 NGCDF-South Mugirango Constituency's 2018-2022 plans are to:

- a) Improve the quality of education and management of public learning institutions
- b) Improving local security and administration
- c) Initiating value addition programs for agricultural produce
- d) Protection of environment and natural resources
- e) Promotion of sports and sports education
- f) Expanding social protection
- g) Creating Strategic partnership to enhance service delivery.

#### **Progress on attainment of Strategic development objectives**

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

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- Increased allocation of funds to Improved physical infrastructure in primary, secondary, and tertiary institutions</li> <li>- Increased bursary allocation to beneficiari</li> </ul>	<p>In FY under review</p> <p>The increased expenditure Ksh to 98,669,288</p> <p>Transfer to government units from Ksh 83,887,843 has also seen the increased in total number of classrooms in primary school by seven, administration offices by six and renovated</p>

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

			es at all levels	classroom by twenty classrooms completion of ,three dormitories in secondary schools one science laboratory and purchase of four 52 seater school buses.
Security	Constructing modern accommodation facilities for security officers	Improved security and increased security patrols.	Number of Accommodation facilities and administration offices constructed	In the financial year under review we started an assistant chiefs office in Chitago Borabu ward
Environment	Purchase, supply and planting of tree seedling	Improved and clean environment	Number of planted tree seedlings	In the financial year under review, the management were not able to achieve this objective due to late disbursement of funds to this vote.
Sports	Organizing annual constituency sports event	Engaging every category in active sporting within and outside the constituency.	Number sports events organized within the constituency	In the financial year under review we held soccer event in all six wards within the constituency and one final to determine the overall champion.

#### **IV.Environmental and Sustainability Reporting**

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

- a. **Education and Training:** South Mugirango 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. Employee welfare**

We invest in providing the best working environment for our employees. South Mugirango 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. South Mugirango 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.

## **3. Market place practices-**

South Mugirango NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

#### **4. Community Engagements-**

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

**Public Awareness**

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

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



**FRANCIS O.ONYANGO**

**FAM**

## **V.STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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

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

*South Mugirango 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 South Mugirango 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.

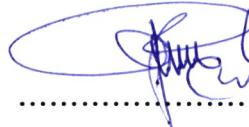
**Approval of the financial statements**

The NGCDF- South Mugirango Constituency financial statements were approved and signed by the Accounting Officer on 30/6/2022 2022.



TERESA MOSE

Chairman – NGCDF Committee



FRANCIS ONYANGO

Finance Account Manager

# REPUBLIC OF KENYA



*Enhancing Accountability*

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

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SOUTH MUGIRANGO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

---

### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - South Mugirango Constituency set out on pages 1 to 48, 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 statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - South Mugirango Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1.0 Inaccuracy in Cash and Cash Equivalents**

The statement of assets and liabilities and Note 10 to the financial statements reflects bank balance of Kshs.22,027,858. However, audit review of the bank reconciliation statement as at 30 June, 2022 revealed unrepresented stale cheques amounting to Kshs.3,673,444 which had not been reversed in the cash book. This was contrary to Section 90(1) of the Public Finance Management Regulations, 2015, which states that accounting officers shall ensure any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.22,027,858 could not be confirmed.

#### **2.0 Unsupported PMC Bank Balance**

Annex 5 reflects Project Management Committee (PMC) bank balance of Kshs.44,603,123 which includes balance of Kshs.3,504,465 for Rionsata SDA Primary School. However, the supporting certificate of bank balance was not provided for audit review.

In the circumstances, the accuracy of the PMC bank balance of Kshs.3,504,465 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 - South Mugirango Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.194,728,261 and Kshs.186,428,261 respectively, resulting to an under-funding of Kshs.8,300,000 (or 4.3%). Similarly, the Fund expended Kshs.164,400,404 against an approved budget of Kshs.194,728,261, resulting to an under-expenditure of Kshs.30,327,857 (or 16%) of the budget.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Unimplemented Projects**

The statement of receipts and payment and Note 6 to the financial statements reflects transfer to other Government units balance of Kshs.98,669,288 .Included in the balance is an amount of Kshs.57,369,288 transferred to primary schools out of which an amount of Kshs.2,000,000 was disbursed to St. Michael Omogumo GOK and Riosanta SDA Primary Schools each towards playground leveling and planting grass cover on an area of approximately 100 by 100 square metres. However, field verification at the time of audit in the month of March, 2023 revealed that the projects had not been implemented.

In the circumstances, the benefits that would have accrued from the projects could not be realized.

#### **2.0 Delay in Purchase of School Bus**

The statement of receipts and payment and Note 6 to the financial statements reflects transfer to other Government units balance of Kshs.98,669,288.Included in the balance is an amount of Kshs.41,300,000 transferred to secondary schools out of which, an amount of Kshs.8,600,000 was disbursed to Omobiri Secondary School as additional funding towards purchase of a 46-seater semi luxury school bus as per revised Government Contract No.SB/017/006/2020-2021. However, field verification at the time of audit in the month of March, 2023 and interview with the Management revealed that the bus had not been purchased and delivered.

In the circumstances, value for money on the disbursement of Kshs.8,600,000 could not be confirmed.

### **3.0 Unimplemented Environment Projects**

The statement of receipts and payments and Note 7 to the financial statements reflects other grant and transfers balance of Kshs.53,404,523. The balance includes expenditure on environment projects of Kshs.1,800,000 which was disbursed towards supply of seedlings and tree planting in various schools. However, field verification at the time of audit in the month of March, 2023 revealed that the projects were not implemented due to unfavorable weather conditions. In addition, the bank statements for the project management committee (PMC) bank accounts, showing that the Kshs.1,800,000 was received by the PMCs, were not provided for audit.

In the circumstances, the benefits that would have accrued on expenditure of Kshs.1,800,000 on environment projects could not be realized.

### **4.0 Failure to Constitute Project Management Committee**

The statement of receipts and payments and Note 7 to the financial statements reflects other grant and transfers balance of Kshs.53,404,523. The balance includes emergency expenditure of Kshs.8,824,141 out of which, an amount of Kshs.2,999,720 was disbursed towards completion of Etago Law Court. However, Management did not provide evidence of involvement of the Project Management Committee (PMC) in delivery of the project. This was contrary to the provisions of Section 36(1) of the National Government Constituencies Development Act, 2015, which requires projects under this Act to be implemented by the project management committee appointed in accordance with the regulations made under Section 57, with the assistance of the relevant department of Government and all payments through cheques or otherwise shall be processed and effected in accordance with government regulations for the time being in force.

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

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

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

### **Conclusion**

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

## **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 June, 2023

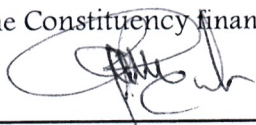
*South Mugirango Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

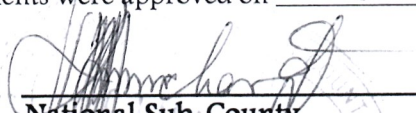
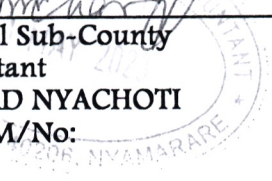
	Note	2021-2022	2020-2021
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	174,977,758	160,767,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	150,000	16,000
<b>TOTAL RECEIPTS</b>		<b>175,127,758</b>	<b>160,783,724</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,019,566	3,494,650
Use of goods and services	5	8,307,027	9,546,003
Transfers to Other Government Units	6	98,669,288	84,660,900
Other grants and transfers	7	53,404,523	64,275,332
Acquisition of Assets	8	-	251,000
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>164,400,404</b>	<b>162,227,885</b>
<b>SURPLUS/DEFICIT</b>		<b>10,727,354</b>	<b>(1,444,161)</b>

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 30/6/2022 and signed by:

  
Fund Account Manager

**FRANCIS ONYANGO**

  
National Sub-County  
Accountant  
**RICHARD NYACHOTI**  
ICPAK M/No: 

  
Chairman NG-CDF Committee

**TERESA MOSE**

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

**VIII.STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE, 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	22,027,858	11,300,504
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>22,027,858</b>	<b>11,300,504</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>22,027,858</b>	<b>11,300,504</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>22,027,858</b>	<b>11,300,504</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	11,300,503	12,744,665
Prior year adjustments	14	-	-
Surplus/Defict for the year		10,727,354	(1,444,161)
<b>NET FINANCIAL POSITION</b>		<b>22,027,857</b>	<b>11,300,504</b>

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 20/6/2022 and signed by:

**Fund Account Manager**

**FRANCIS ONYANGO**

**National Sub-County  
Accountant**

**RICHARD NYACHOI**  
ICPAK M/No:

**Chairman NG-CDF Committee**

**TERESA MOSE**

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

**IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022**


		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	174,977,758	160,767,724
Other Receipts	3	150,000	16,000
		<b>175,127,758</b>	<b>160,783,724</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,019,566	3,494,650
Use of goods and services	5	8,307,027	9,546,003
Transfers to Other Government Units	6	98,669,288	84,660,900
Other grants and transfers	7	53,404,523	64,275,332
Acquisition of Assets	8	-	-
Other Payments	9	-	-
		<b>164,400,404</b>	<b>161,976,885</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>10,727,354</b>	<b>(1,193,161)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	0
Acquisition of Assets	8	-	251,000
<b>Net cash flows from Investing Activities</b>		-	<b>(251,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>10,727,354</b>	<b>(1,444,161)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>11,300,504</b>	<b>12,744,665</b>
<b>Cash and cash equivalent at END of the year</b>		<b>22,027,857</b>	<b>13,300,504</b>

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 30/6/2022 and signed by:

  
Fund Account Manager

FRANCIS ONYANGO

  
National Sub-County  
Accountant  
RICHARD NYACHOTI  
ICPAK M/No:

  
Chairman NG-CDF Committee

TERESA MOSE

*South Mugirango 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 30<sup>TH</sup> JUNE 2022**

Receipt/Expense Item	Original Budget		Adjustments		Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
	a	b	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>RECEIPTS</b>								
Transfers from NG-CDF Board	137,088,879		11,300,503	46,188,879	194,578,261	186,278,261	8,300,000	95.70%
Proceeds from Sale of Assets					-	-	-	0.00%
Other Receipts(AIA)			150,000		150,000	150,000	-	100.00%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>		<b>11,450,503</b>	<b>46,188,879</b>	<b>194,728,261</b>	<b>186,428,261</b>	<b>8,300,000</b>	<b>95.70%</b>
<b>PAYMENTS</b>								
Compensation of Employees	3,690,000		1,431,439	25,086	5,146,525	4,019,566	1,162,361	77.40%
Use of goods and services	8,647,999		-	-	8,647,999	8,307,027	654,982	92.40%
Transfers to Other Government Units	63,226,300		1,495,137	35,445,207	100,166,644	98,669,288	1,497,356	98.50%
Other grants and transfers	53,024,580		6,741,281	9,928,329	69,694,191	53,404,523	15,940,256	77.10%
Acquisition of Assets	-		339,339	290,257	629,596	-	629,596	0.00%
Other Payments	200,000		1,172,306	500,000	1,872,306	-	1,872,306	
Funds not yet approved	8,300,000		271,000	-	8,571,000		8,571,000	
<b>TOTAL</b>	<b>137,088,879</b>		<b>11,450,503</b>	<b>46,188,879</b>	<b>194,728,261</b>	<b>164,400,404</b>	<b>30,327,857</b>	<b>84.40%</b>

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

	2
--	---

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

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

*(b) The overall utilization of below 90% is as a result of late disbursement of funds to compensation of employees on line one expenditure item which stands at 77.4%, other grants and transfers at 77.1% and lastly to Acquisition of assets.*

*(c) The changes between the original and final budget are as a result of adjustments brought forward from previous financial years*

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
Description	Amount
Budget utilization difference totals	30,327,858
Less undisbursed funds receivable from the Board as at 30th June 2022	8,300,000
	22,027,858
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021 / 2022	22,027,858

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

The Constituency financial statements were approved on 20/06/2022 and signed by:



**Fund Account Manager**

**FRANCIS ONYANGO**



**National Sub-County Accountant**

**RICHARD NYACHOTI  
ICPAK M/No:**



**Chairman NG-CDF Committee**

**TERESA MOSE**

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

**XI. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,690,000	1,431,439	25,086	5,146,525	3,984,164	1,162,361
1.2 Committee allowances	2,044,529			2,044,529	2,040,605.00	3,924
1.3 Use of goods and services	2,490,803			2,490,803	1,925,644.95	565,158
<b>sub -Total</b>	<b>8,225,333</b>	<b>1,431,439</b>	<b>25,086</b>	<b>9,681,857</b>	<b>7,950,414</b>	<b>1,731,444</b>
<b>2.0 Monitoring and evaluation</b>						-
2.1 Capacity building	2,312,666	-	-	2,312,666	2,191,502	121,164
2.2 Committee allowances	800,000	-	-	800,000	799,000	1,000
2.3 Use of goods and services	1,000,000	-	-	1,000,000	1,036,265	(36,265)
<b>sub -Total</b>	<b>4,112,666</b>	<b>-</b>	<b>-</b>	<b>4,112,666</b>	<b>4,026,767</b>	<b>85,899</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools				-		-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
National media Group					128,412	
Etago multipurpose hall					2,999,720	
Bomonyama DEB Pr. School					350,000	
Ikoba Pr. School					650,000	
Rangeti Boarding Pr. School					250,000	
Makongeni SDA Pr. School					350,000	
Kiamabundo Primary School					700,000	
Nyamue Pr. School					350,000	
Kenori DEB Pr. School					350,000	
Igare Pr. School					350,000	
FAM					374,421	
Mogumo DEB					2,100,000	
3.2 Secondary schools					-	
3.3 Tertiary institutions						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.4 Security projects					-	
3.5 Unutilised	7,192,207	156,356	7,192,207	14,540,770	-	
<b>sub -Total</b>	<b>7,192,207</b>	<b>156,356</b>	<b>7,192,207</b>	<b>14,540,770</b>	<b>8,952,553</b>	<b>5,588,217</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	20,000,000	35,890		20,035,890	19,991,000	44,890
4.2 Tertiary Institutions	19,023,458	2,840,950		21,864,408	19,022,603	2,841,805
4.3 Social Security	3,000,000	3,000,000		6,000,000	570,000	5,430,000
4.4 Special Needs	-	184,000		184,000	84,000	100,000
<b>sub -Total</b>	<b>42,023,458</b>	<b>6,060,840</b>	<b>-</b>	<b>48,084,297</b>	<b>39,667,603</b>	<b>8,416,694</b>
<b>5.0 Sports</b>						
5.1 unutilized	2,008,915	274,443	1,770,259	4,053,617	2,146,915	1,906,702
<b>sub -Total</b>	<b>2,008,915</b>	<b>274,443</b>	<b>1,770,259</b>	<b>4,053,617</b>	<b>2,146,915</b>	<b>1,906,702</b>

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>6.0 Environment</b>						
Eburi primary School	100,000			100,000	100,000	-
FAM		221,000		221,000	221,000	-
Engou Primary School	100,000			100,000	100,000	-
Etago Primary School	100,000			100,000	100,000	-
Getono Primary School	100,000			100,000	100,000	-
Igare Primarry School	100,000			100,000	100,000	-
Manywanda A Primary School	100,000			100,000	100,000	-
Moticho Primary School	100,000			100,000	100,000	-
Nchoro Secondary School	100,000			100,000	100,000	-
Nduru Primary School	100,000			100,000	100,000	-
Nyabiosi Maranatha Primary						-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
School	100,000			100,000	100,000	
Nyabitunwa Bine Primary School	100,000			100,000	100,000	-
Nyangweta DOK Secondary School	100,000		-	100,000	100,000	-
Omobiri Secondary School	100,000			100,000	100,000	-
Otendo Primary School	100,000			100,000	100,000	-
Ramoya Hill Girls Secondary School	100,000			100,000	100,000	-
Rigena Primary School	100,000			100,000	100,000	-
St. Marks Ritaro Primary School	100,000			100,000	100,000	-
Tabaka DEB Primay School	100,000			100,000	100,000	-
Unutilized		28,642		28,642		28,642
<b>sub -Total</b>	<b>1,800,000</b>	<b>249,642</b>	<b>-</b>	<b>2,049,642</b>	<b>2,021,000</b>	<b>28,642</b>
<b>7.0 Primary Schools Projects</b>						
Bomware Primary School	-		<b>975,388</b>	975,388		-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
					975,388	
Nyabigena Primary School	-		818,600	818,600	818,600	-
Nyabigege Primary School	-		502,219	502,219	500,000	2,219
Manywanda B. Primary School	-		1,000,000	1,000,000	1,000,000	-
Ndonyo Primary School	-		1,638,000	1,638,000	1,638,000	-
Metaburo Primary School	-		5,311,000	5,311,000	5,311,000	-
Metaburo Primary School	2,176,300			2,176,300	2,176,300	-
Kimai Enkora Primary school	1,125,000			1,125,000	1,125,000	-
Ikoba DEB Primary school	2,625,000			2,625,000	2,625,000	-
Monianku primary school	1,500,000			1,500,000	1,500,000	-
Bogisero Getembe DEB primary school	1,000,000			1,000,000	1,000,000	-
Nyamondo primary school	1,125,000			1,125,000	1,125,000	-
Keburanchogu DOK primary						-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
School	1,700,000			1,700,000	1,700,000	
getono SDA primary school	1,500,000			1,500,000	1,500,000	-
Rionsata SDA Primary School	2,000,000			2,000,000	2,000,000	-
Kiorina DE Primary School	1,500,000			1,500,000	1,500,000	-
Gesonso Primary School	1,000,000			1,000,000	1,000,000	-
Igare DB Primary school	1,000,000			1,000,000	1,000,000	-
St. marks Ritaro Primary School	1,000,000			1,000,000	1,000,000	-
Nyamagena Mabariri DEB	1,500,000			1,500,000	1,500,000	-
Riasuta Primary school	2,000,000			2,000,000	2,000,000	-
Muma Primary school	1,125,000			1,125,000	1,125,000	-
Etago DOK Primary School	1,500,000			1,500,000	1,500,000	-
St. Michael Omogumo DOK Primary School	2,000,000			2,000,000	2,000,000	-
Nyangweta SDA Primary						-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
School	2,000,000			2,000,000	2,000,000	
Kiasobera Primary School	1,000,000			1,000,000	1,000,000	-
Nyakorere MFA Primary School	1,000,000			1,000,000	1,000,000	-
Nyangweta DOK Primary	1,500,000			1,500,000	1,500,000	-
Makongeni Primary	1,500,000			1,500,000	1,500,000	-
Maroo DEB Primary	1,500,000			1,500,000	1,500,000	-
Bokimai SDA Primary	750,000			750,000	750,000	-
Keburanchogu DOK Primary	1,900,000			1,900,000	1,900,000	-
Rionsata SDA Primary	1,500,000			1,500,000	1,500,000	-
Makara DOK Primary School	1,500,000			1,500,000	1,500,000	-
St. Marks Ritaro Primary School	-		1,000,000	1,000,000	1,000,000	-
Tabaka Boys Primary School	-		1,000,000	1,000,000	1,000,000	-
Riasuta primary School	-		2,000,000			-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	-			2,000,000	2,000,000	
Tabaka Girls Primary School	600,000	-	-	600,000	600,000	-
Bogichoncho Primary School	-		1,000,000	1,000,000	1,000,000	-
kenyoro Primary School	-	290,200		290,200	-	290,200
<b>Sub totals</b>	<b>42,126,300</b>	<b>290,200</b>	<b>15,245,207</b>	<b>57,661,707</b>	<b>57,369,288</b>	<b>292,419</b>
<b>8.0 Secondary Schools Projects</b>						
tabaka Township			1,000,000	1,000,000	1,000,000	-
Nyatwoni Secondary School			2,000,000	2,000,000	2,000,000	-
Nduru Girls Secondary School	1,600,000		7,200,000	8,800,000	8,800,000	-
Nyamondo Secondary school	1,600,000		3,800,000	5,400,000	5,400,000	-
Omobiri Sec.	1,600,000			1,600,000	1,600,000	-
Ndonyo Secondary School	600,000			600,000	600,000	-
Maroo Esinde Secondary School	600,000			600,000	600,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Nduru Girls High School	600,000			600,000	600,000	-
Mariwa Secondary School	600,000			600,000	600,000	-
Monianku Secondary School	600,000			600,000	600,000	-
Omobiri Secondary School	600,000		5,200,000	5,800,000	5,800,000	-
Nyabigena Boys Secondary School	600,000			600,000	600,000	-
Tabaka Boys High School	600,000			600,000	600,000	-
Nyakorere Secondary School	600,000			600,000	600,000	-
Kiabigoria Secondary School	600,000	78,834		678,834	600,000	78,834
Giasobera Secondary School	600,000		1,000,000	1,600,000	1,600,000	-
St. Linus Etago Girls	600,000			600,000	600,000	-
Kiagware Secondary School	600,000			600,000	600,000	-
Maroo Esinde Secondary School	2,000,000			2,000,000	2,000,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Moticho Girls Sec School	1,500,000			1,500,000	1,500,000	-
Muma Mixed Sec School	2,000,000			2,000,000	2,000,000	-
Proposed Manywanda A Girls	3,000,000			3,000,000	3,000,000	-
Ayora Secondary		126,103		126,103		126,103
<b>sub –Total</b>	<b>21,100,000</b>	<b>204,937</b>	<b>20,200,000</b>	<b>41,504,937</b>	<b>41,300,000</b>	<b>204,937</b>
<b>9.0 Tertiary institutions Projects</b>						
Kisii university	-	1,000,000		1,000,000		1,000,000
<b>sub –Total</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
<b>10.0 Security Projects</b>						
Nyamondo chiefs Office	-	-	965,864	965,864	965,864	-
<b>sub –Total</b>	<b>-</b>	<b>-</b>	<b>965,864</b>	<b>965,864</b>	<b>965,864</b>	<b>-</b>
<b>Total</b>				<b>-</b>	<b>-</b>	<b>-</b>

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>11.0 Acquisition of assets</b>	-					
purchase office furniture	-	49,082		49,082		49,082
purchase of motor cylce	-	290,257	290,257	580,514	-	580,514
	-		-	-		
<b>sub -Total</b>	-	<b>339,339</b>	<b>290,257</b>	<b>629,596</b>	-	<b>629,596</b>
<b>12.0 Other payments</b>						
Renovation of Constituency office	200,000	-	-	200,000	-	200,000
Ict	-	1,172,306		1,172,306		1,172,306
Audit	-	-	500,000	500,000	-	500,000
<b>sub -Total</b>	<b>200,000</b>	<b>1,172,306</b>	<b>500,000</b>	<b>1,872,306</b>	-	<b>1,872,306</b>
<b>13.0 unallocated fund</b>						
Unapproved projects						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Nyakorere Secondary School	3,000,000			3,000,000		3,000,000
St. Joseph Kiorori	5,300,000			5,300,000		5,300,000
AIA		271,000		271,000		271,000
PMC savings				-		-
<b>sub -Total</b>	<b>8,300,000</b>	<b>271,000</b>	<b>-</b>	<b>8,571,000</b>	<b>-</b>	<b>8,571,000</b>
<b>Total</b>	<b>137,088,879</b>	<b>11,450,503</b>	<b>46,188,879</b>	<b>194,728,262</b>	<b>164,400,404</b>	<b>30,327,858</b>

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

## **XI. Significant Accounting Policies**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF- South Mugirango 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 Equivalent.**

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 30<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> 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 30<sup>th</sup> 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.

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

**XII. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

AIE NO	2021-2022	2020 - 2021
	Kshs	Kshs
B104752		20,000,000
A 823725		34,000,000
B104841		15,367,724
B124757		3,000,000
B119647		8,500,000
B128279		6,900,000
B132039		10,000,000
B128036		12,000,000
B132333		6,000,000
B126002		12,000,000
B126294		9,000,000
B105089		11,000,000
B096578		13,000,000
B105287	33,000,000	
B105703	34,000,000	
B105719	16,000,000	
B128701	17,000,000	
B163863	14,000,000	
B154208	15,000,000	
B154430	18,000,000	
B154485	14,788,879	
B089094	12,688,879	
A888953	500,000	
<b>TOTAL</b>	<b>174,977,758.30</b>	<b>160,767,724</b>

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

---

*Notes To the Financial Statements (Continued)*

**2. Proceeds From Sale of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	00	00
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Others (specify)	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**3. Other Receipts**

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere (AiA)	150,000	16,000
<b>TOTAL</b>	<b>150,000</b>	<b>16,000</b>

**4. Compensation Of Employees**

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,154,764	2,695,280
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	864,802	601,990
Employer Contributions Compulsory national social security schemes	-	197,380
<b>TOTAL</b>	<b>4,019,566</b>	<b>3,494,650</b>

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

*Notes To the Financial Statements (Continued)*

**5. Use Of Goods and Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	19,000	0
Electricity	-	0
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	210,000	201,650
Domestic travel and subsistence	1,646,000	1,807,500
Printing, advertising and information supplies & services	128,412	665,756
Rentals of produced assets		
Training expenses	200,000	978,357
Hospitality supplies and services	312,100	0
Other committee expenses	1,307,320	513,110
Committee allowance	3,043,085	4,876,000
Insurance costs	-	-
Specialised materials and services	19,402	-
Office and general supplies and services	1,012,308	426,350
Fuel , oil & lubricants	44,800	0
Other operating expenses	25,000	0
Bank service commission and charges	40,000	77,280
Other Operating Expenses	-	
Security operations	-	
Routine maintenance - vehicles and other transport equipment	299,600	0
Routine maintenance- other assets	-	
<b>TOTAL</b>	<b>8,307,027</b>	<b>9,546,003</b>

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

*Notes To The Financial Statements (Continued)*

**6. Transfer To Other Government Units**

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	57,369,288	43,132,097
Transfers to Secondary Schools	41,300,000	41,528,803
Transfers to Tertiary Institutions	-	-
<b>TOTAL</b>	<b>98,669,288</b>	<b>84,660,900</b>

**7. Other Grants and Other transfers**

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary ( see attached list)	19,991,000	7,424,500
Bursary -Tertiary ( see attached list)	19,022,603	43,907,408
Bursary- Special Schools	84,000	-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	570,000	-
Security Projects ( see attached list)	965,864	1,000,000
Sports Projects ( see attached list)	2,146,915	1,400,000
Environment Projects ( see attached list)	1,800,000	3,934,300
Emergency Projects ( see attached list)	8,824,141	6,609,124
<b>TOTAL</b>	<b>53,404,523</b>	<b>64,275,332</b>

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

*Notes To the Financial Statements (Continued)*

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	0	-
Construction of Buildings	0	-
Refurbishment of Buildings	0	-
Purchase of Vehicles and Other Transport Equipment	0	-
Purchase of Household Furniture and Institutional Equipment	0	-
Purchase of Office Furniture and General Equipment	0	-
Purchase of ICT Equipment, Software and Other ICT Assets		251,000
Purchase of Specialized Plant, Equipment and Machinery	0	-
Acquisition of Land	0	-
<b>Total</b>	<b>0</b>	<b>251,000</b>

**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	00	00
ICT Hub	00	00
	00	00

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Cooperative bank –Rongo A/C no.01120018205600</i>	22,027,858	11,300,503
<b>Total</b>	<b>22,027,858</b>	<b>11,300,503</b>
<b>10 B: Cash on Hand</b>		
Location 1	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

*Notes To the Financial Statements (Continued)*

**11: Outstanding Imprests**

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2022)</i>
	<b>Date imprest taken</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Francis Ogutu Onyango</i>	6.8.2021	200,000.00	200,000	-
<i>Francis Ogutu Onyango</i>	6.8.2021	99,000.00	99,000	-
<i>Francis Ogutu Onyango</i>	18.8.2021	99,800.00	99,800	-
<i>Francis Ogutu Onyango</i>	23.9.2021	200,000.00	200,000	-
<i>Francis Ogutu Onyango</i>	8.10.2021	88,030.00	88,030	-
<i>Francis Ogutu Onyango</i>	16.11.2021	73,000.00	73,000	-
<i>Francis Ogutu Onyango</i>	9.12.2021	34,200.00	34,200	-
<i>Francis Ogutu Onyango</i>	13.4.2022	200,000.00	200,000	-
<i>Francis Ogutu Onyango</i>	22.4.2022	96,100.00	96,100	-
<b>TOTAL</b>		<b>1,090,130.00</b>	<b>1,090,130</b>	-

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

*Notes to the Financial Statement Continued*

**12A. Retention**

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	00	00
Retention held during the year (B)	00	00
Retention paid during the Year (C)	00	00
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	00	00

**12B. Gratuity**

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

<b>13 BALANCES BROUGHT FORWARD</b>			
		2021-2022	2020- 2021
		Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts		11,300,503	11,971,608
Cash in hand			
Imprest			
<b>TOTAL</b>		<b>11,300,503</b>	<b>11,971,608</b>

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

**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	00	00	00
Cash in hand	00	00	00
Accounts Payables	00	00	00
Receivables	00	00	00
Others ( <i>specify</i> )	00	00	00
<b>Total</b>	00	00	00

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

**15. Changes in Accounts Receivable – Outstanding Imprests**

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	00	00
Imprest issued during the year (B)	00	00
Imprest surrendered during the Year (C)	00	00
closing accounts in account receivables D= A+B-C	00	00
Changes in Account Receivables E= D-A	00	00

**16. Changes in Accounts Payable – Deposits and Retentions**

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	00	00
Deposit and Retentions held during the year (B)	00	00
Deposit and Retentions paid during the Year (C)	00	00
closing account payables D= A+B-C	00	00
Changes in Accounts Payable E= D-E	00	00

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

*Notes to the Financial Statements (Continued)*

**17. Other Important Disclosures**

**17.1: Pending Accounts Payable (See Annex 1)**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**17.2: Pending Staff Payables (See Annex 2)**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff	00	00
Others ( <i>specify</i> )	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**17.3: Unutilized Fund (See Annex 3)**

	<b>2021-2022</b>	<b>2020- 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	1,162,361	1,673,588
Use of goods and services	654,982	153,199
Amounts due to other Government entities (see attached list)	1,497,356	30,451,241
Amounts due to other grants and other transfers (see attached list)	15,940,256	18,232,791
Acquisition of assets	629,596	290,257
Others (ICT & AiA)	1,872,306	1,672,307
Funds pending approval	8,571,000	5,016,000
<b>TOTAL</b>	<b>30,327,857</b>	<b>57,489,383</b>

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

---

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

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	44,603,123	34,706,824
	44,603,123	34,706,824

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

**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	
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
Sub-Total					
<b>Grand Total</b>					

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

**Annex 2 - Analysis of Pending Staff Payables**

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

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

**Annex 3 – Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2021/2022</b>	<b>Outstanding Balance 2020/2021</b>	<b>Comments</b>
<b>Compensation of employees</b>	Payment of staff salaries	1,162,361	1,673,58	
<b>Use of goods &amp; services</b>		528,893	153,198	
<b>Sub-Total</b>		<b>1,691,254</b>	<b>1,826,787</b>	
<b>Amounts due to other Government entities</b>				
Kisii university	Construction of lecture hall	1,000,000	1,000,000	
Nyabigege primary school	Renovation of one classroom	2,219	2,219	
Kenyoro primary school	Construction of Administration office	290,200	290,200	
Kiabigoria secondary	Construction of Science laboratory	78,834	78,834	
Ayora secondary	Construction of science laboratory	126,103	126,103	
<b>Sub-Total</b>		<b>1,497,356</b>	<b>1,497,356</b>	
<b>Amounts due to other grants and other transfers</b>				
Emergency	Cater for unforeseen emergencies within the constituencies	5,588,217.00	7,007,490.00	
sports	Carrying out sports activities within the	1,906,702.00	2,044,700.65	

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

	constituency			
Enviroment	Purchase and planting of tree seedlings in various school	28,642.00	265,700.00	
bursary secondary	Cater for fees for students in secondary schools	44,890.00	7,949,036.95	
bursary tertiary	Cater for fees for students in tertiary institutions	2,841,805.00	0	
bursary special	Cater for fees for students in special institution and with special needs	100,000.00	84,000	
social security (NHIF)	Cater for subsidized health needs of valuables	5,430,000.00	3,000,000	
<b>Sub-Total</b>		<b>15,940,256.00</b>	20,350,928	
<b>Acquisition of assets</b>				
office furniture	Purchase of Office furniture	49,082.00	49,082	
motor cycle	Purchase of motor cycle for project inspection	580,514.00	290,257	
<b>Sub-Total</b>		<b>629,596.00</b>	339339	
<b>Others (ICT &amp;AIA)</b>				
ict		1,172,307.00	1,172,307.00	
renovation of consti office		200,000.00	0	
Audit		500,000.00	500,000	

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

<b>Sub-Total</b>		<b>1,872,307.00</b>	<b>1,672,307</b>
Funds pending approval		<b>8,300,000.00</b>	
<b>Grand Total</b>		<b>8,300,000.00</b>	

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

**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2020/2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2021/2022</b>
Land	-	-	0	-
Buildings and structures	7,281,179	-	0	7,281,179
Transport equipment	4,378,363	-	0	4,378,363
Office equipment, furniture and fittings	822,180	-	0	822,180
ICT Equipment, Software and Other ICT Assets	251,000	-	0	251,000
Other Machinery and Equipment	280,067	-	0	280,067
Heritage and cultural assets	-	-	0	-
Intangible assets	-	-	0	-
<b>Total</b>	<b>13,012,789</b>	-	0	<b>13,012,789</b>

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

**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

Project name	A/C NO.	Bank/Branch	Jun-22	Jun-21
Rionsata SDA Primary School	1141017525200	Co-op –Rongo	3,504,465	120,088
Gesonso Primary School	1141017566400	Coop –Rongo	1,063,480	15,967
Keburanchogu DOK Primary	1141618149500	Coop –Rongo	3,676,070	5,106.00
Rionsata SDA Primary	1141017525200	Co-op –Rongo	3,504,465	55,267
Tabaka Girls Primary School	1141017549500	Co-op –Rongo	505,125	5,124
Getono Primary School	1141017532300	Co-op –Rongo	153,594	153,595
Igare Primary School	1140101709600	Co-op –Rongo	1,038,466	38,466
St. Marks Ritara Primary School	1100017537101	Coop –Rongo	1,004,986	124
Kiorina DEB Primary School	1117017533800	Coop –Rongo	1,504,112	1,029
Makara DOK Primary School	1141017530800	Coop –Rongo	1,501,315	376,804
Engou Primary School	1141017527900	Coop –Rongo	49,712	36,723
Tabaka Boys Primary School	1141618232000	Coop –Rongo	915	65,942
Bomonyama DEB Pr. School	1141017089800	Coop –Rongo	22,477	2,243
Nyamue Pr. School	1141017384200	Coop –Rongo	18,540	51,157
Otendo Primary School	1286361672	KCB –Rongo	11,224	5,195
Nyabigena Primary School	1287465099	KCB –Rongo	297	734

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

Ikoba DEB Primary school	1172099650	KCB-Rongo	1,737,725	15,695
Monianku primary school	1279171081	KCB -Rongo	1,502	1,725,741
Bogisero Getembe DEB primary school	1148963855	KCB -Rongo	98,989	113,602
Riasuta Primary school	1266527362	KCB -Rongo	4,025,019	4,585
Muma Primary school	1265221812	KCB- Rongo	670,579	0
St. Michael Omogumo DOK Primary School	1266584188	KCB -Rongo	2,038,048	1,455
Kiasobera Primary School	1257827804	KCB -Rongo	89,390	1,002,044
Nyakorere MFA Primary School	1172095884	KCB -Rongo	1,614	831,679
Mogumo DEB Primary School	1264889879	KCB -Rongo	737,745	2,574.00
Etago Primary School	1257692933	KCB -Rongo	1,722,377	4,217
Nyabigege Primary School	1285755421	KCB -Rongo	97,827	1,184,053
Manywanda B. Primary School	1204271275	KCB -Rongo	116,716	1,200
Ndonyo Primary School	1257603388	KCB -Rongo	832	936,900
Kimai Enkora Primary school	1265994331	KCB -Rongo	424,816	80,030
Keburunga DOK primary School	1257603566	KCB -Rongo	211,673	990,802
Nyangweta SDA Primary School	1252245939	KCB -Rongo	2,560	1,578,956
Makongeni Primary	1257876430	KCB -Rongo	534,661	975,388
Maroo DEB Primary	1264502966	KCB -Rongo	152,217	976,223
Bokimai SDA Primary	1204140693	KCB -Rongo	152,371	1,165

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

Eburi primary School	1149251069	KCB –Rongo	618	48,693
Manywanda A Primary School	1266681426	KCB –Rongo	16,099	33,543
Moticho Primary School	1265065276	KCB –Rongo	1,104	59,303
Nduru Primary School	1257738380	KCB –Rongo	110,434	1,666
Nyabiosi Maranatha Primary School	1264858906	KCB –Rongo	9,141	30,855
Nyabitungwa Bine Primary School	1257443836	KCB –Rongo	92,007	115,367
Tabaka DEB Primay School	1104157683	KCB –Rongo	621	301,781
Ikoba Pr. School	1172099650	KCB –Rongo	1,737,725	337,987
Tabaka Township Secondary	1141018972400	Co-op –Rongo	684	127,134
Nyatwoni Secondary School	1141477936500	Co-op –Rongo	153,449	105,782
Ndonyo Secondary School	1141618757800	Co-op –Rongo	792,524	1,051,735
Ramoya Hill Girls Secondary School	1141618587500	Co-op –Rongo	2,140	2,999,269
Muma Mixed Scondary School	1141618840300	Co-op –Rongo	2,042,907	34,968
Manywanda Girls Secondary School	1141618701200	Co-op –Rongo	3,020,192	136,444
Giasobera Secondary School	1149260440	KCB –Rongo	179,947	3,445
Mariwa Secondary School	1279890622	KCB –Rongo	18,540	1,025,065
Nyakorere Secondary School	1274939496	KCB –Rongo	1,225,248	3,400,000

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

Nduru Girls Secondary School	1128142589	KCB –Rongo	1,554	1,105,942
Omobiri Sec.	1254912185	KCB –Rongo	344,870	1,285,030
Tabaka Boys High School	1149554479	KCB –Rongo	5,759	2,626,046
Nyangweta DOK Secondary School	1257781286	KCB –Rongo	49,611	49,611
Moticho Girls Secondary School	1149246863	KCB –Rongo	851,722	1,721
maroo esinde secondary	1149265043	KCB -kisii west	2,004,554	0
kiabigoria sec.school	1149106034	KCB -kisii west	3,445	50,255
kiagware sec school	1136537864	KCB -kisii west	17,077	600,000
			44,603,123	34,706,824

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

**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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
<b>File Ref:SNY/SOUTH MUGIRANGO NG-CDF / (2</b>	The financial statements do not present fairly the state of affairs of the fund as at 30 June 2021.	The management has corrected the noted errors and have adjusted the financial statement accordingly as per attached financial statement.	Waiting for response from auditors	
<b>File Ref:SNY/SOUTH MUGIRANGO NG-CDF / (2</b>	The balance of compensation of employees in the financial statement is misstated	The management has reconciled the variance and adjusted the financial statement accordingly as per attached financial statement.	Waiting for response from auditors	
<b>File Ref:SNY/SOUTH</b>		The management	Waiting for response	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MUGIRANGO NG-CDF / (2	<p>Included in the transfers to other government entities balance of Kshs. 52,409,998 and as disclosed in note 5 to the financial statements for the year ended 30 June 2021 is an amount of Kshs 43,132,097 in respect of primary school projects. However, review of the project implementation status report from the financial year 2017/2018 to 2018/2019 indicated that 6 projects funded at a cost of Kshs. 6,700,000 over the years remained incomplete/ongoing and were at various stages of implementation against</p>	<p>confirms the completion of the prior year projects as per attached revised project implementation report and code list for financial year 2021 -2022 to confirm allocation of fund to ongoing projects.</p>	<p>from auditors</p>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the provisions of the NG-CDF Act, 2015 and NG- CDF Regulation 2016 requiring that ongoing projects to be given preference in funding to ensure that they are completed within three years.			

FRANCIS ONYANGO



Fund Account Manager.