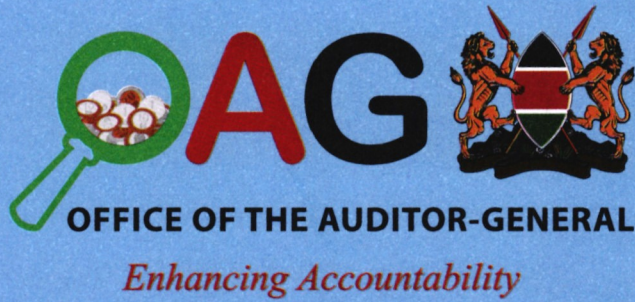
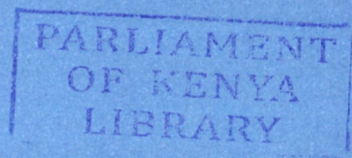


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY

DATE: 08 AUG 2023

ON TUESDAY

TABLED

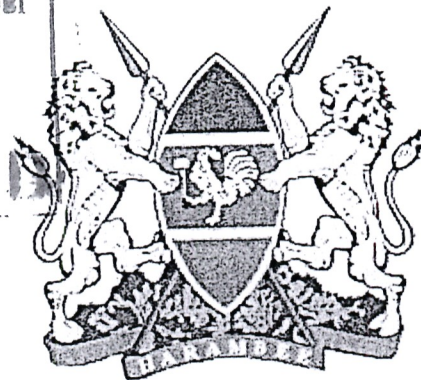
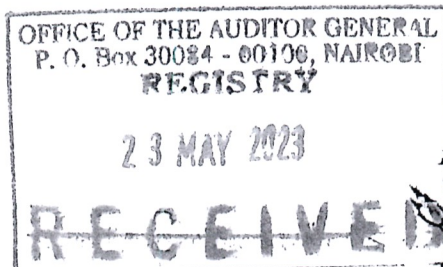
BY:

CLERK-AT-THE-TABLE:

Hon Owen Baya MP
Deputy Leader, majority
Anne Shulanda

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

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



UGUNJA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The UGUNJA 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)

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Dr. Boaz Omondi Odeyo, PhD
2.	Sub-County Accountant	Lazaro Adhu
3.	Chairman NGCDFC	Bernard Omollo Werre
4.	Member NGCDFC	Beatrice Achieng Olaka

(d) Fiduciary Oversight Arrangements

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

P.O. Box 212-40606,
NG-CDF Building
Opposite Nyasanda Pri. School
Ugunja, KENYA

(f) Ugunja Constituency NGCDF Contacts

Telephone: (254) 727226801
E-mail: cdfUgunja@cdf.go.ke
Website: www.Ugunjaconstituency.co.k

(g) Ugunja Constituency NGCDF Bankers

Equity Bank
Siaya Branch
P.o Box 75104-00200
SIAYA.

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

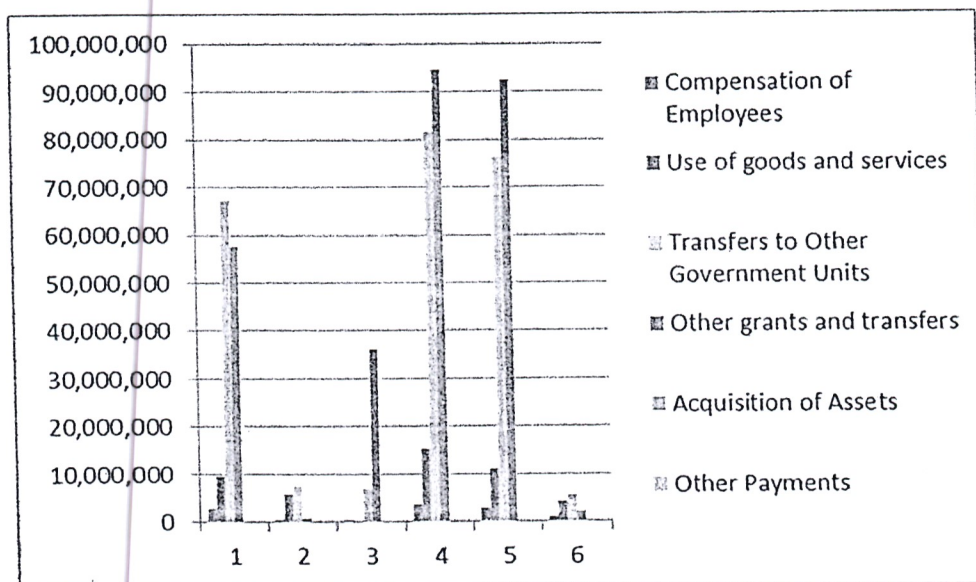
II. NG-CDFC Chairman’s Report



Benard Omollo Werre
NG-CDFC CHAIRMAN
UGUNJA CONSTITUENCY

In the financial year 2021/2022 the constituency had a total budget of Ksh.195, 635,713 Against Actual expenditure of Ksh.182, 834,590 as analysed as follows representing 93.5% absorption rate as reflected in the appropriation account.

Final budget in relation to expenditures



Emerging issues related to the NG-CDF

Entrenching NG-CDF in the new constitutional dispensation , since it is facing a lot of legal challenges hence Members of parliament should enact legislations which do not contravene the constitution in order to protect the NGCDF.

Implementation Challenges and Recommended Way forward

- Delayed disbursement of funds leads to inflated project costs due to the time value of money and also delayed implementation of projects a good example is the late disbursement of bursary funds and project funds , to remedy this, funds must be disbursed by the CDF board in time.

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

- Frequent development forums and awareness forums should be held to intuit the public with information concerning the development initiatives , from various funding agencies and stakeholders and CDF, County government and other development stakeholders plan together to avoid duplication of projects .
- Lack of a simple but standardized practical curriculum for training PMC's in order to enhance their capacity to implement the projects ; hence PMC training manual should be operationalized.
- The NG-CDF Act and the constitution limit the operations of NG-CDF to Education and National security functions , leaving out all devolved functions.

Despite the achievements mentioned above, NGCDFC experienced the following challenges;

1. Most projects could not commence due to untimely disbursement of funds and subsequent delayed formation of PMCs

Key achievements for Ugunja NG-CDF

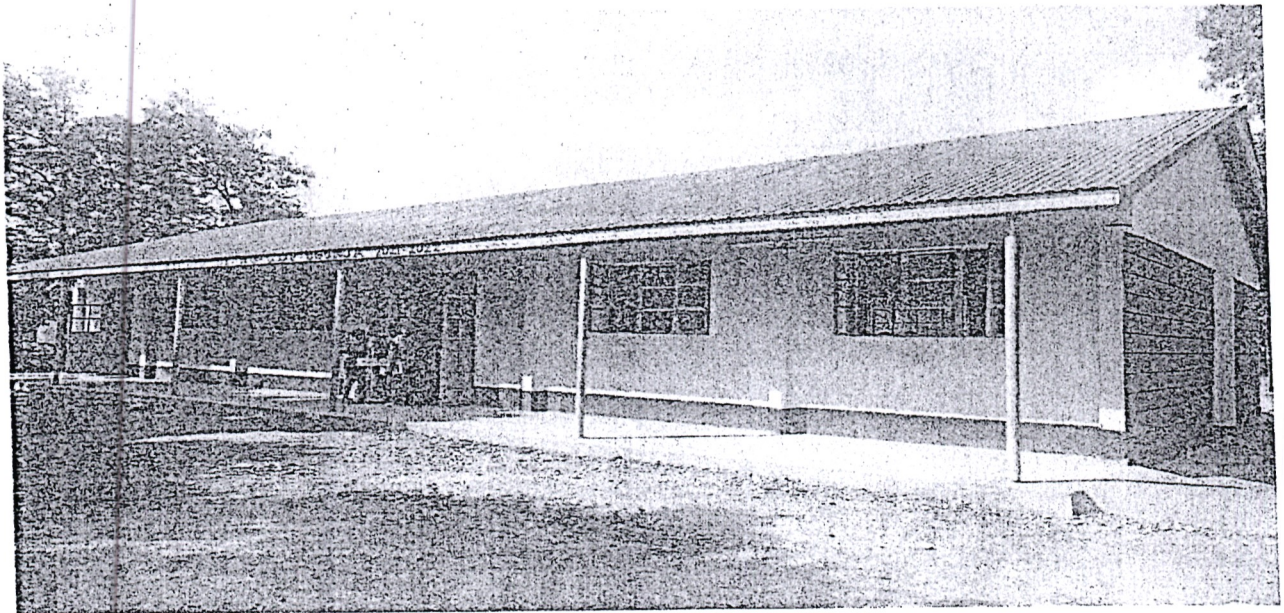
- By equal distribution of funds to all constituents to fight poverty and ensuring regional balance .
- In the Education sector, NGCDF funding has aided in ensuring that infrastructure in schools is improved and that students are able to learn in conducive environment , a move that has seen students retained in schools and thus performance has been improved.

Below are pictures of various projects done as indicators of our achievements:

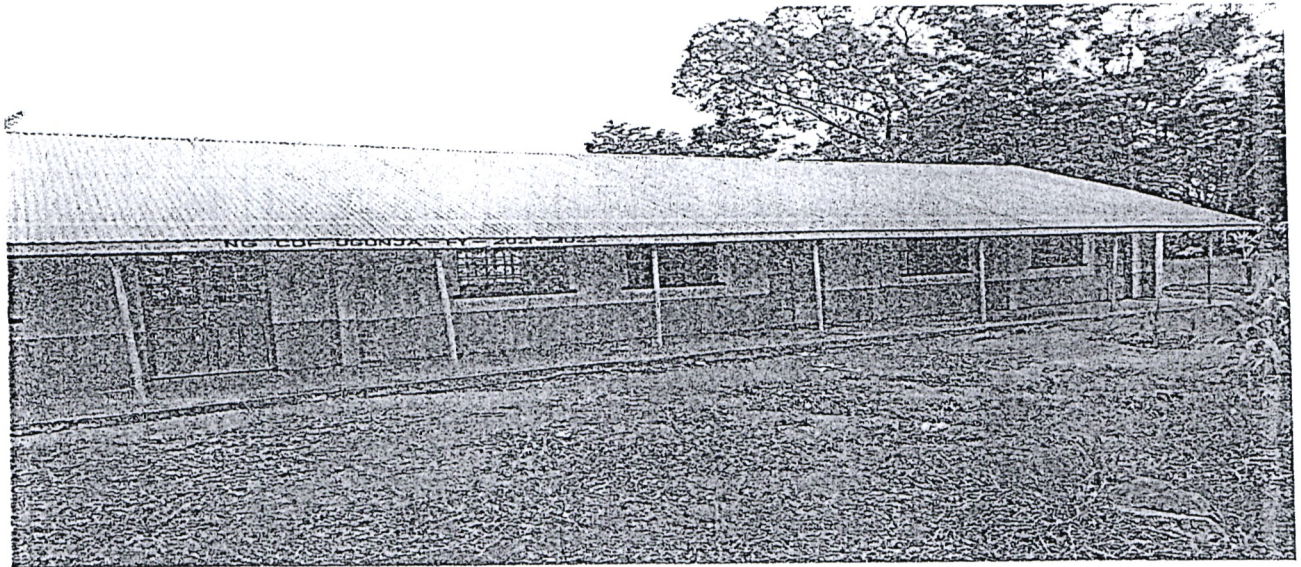
Lwanda Primary School -Renovation of four (4) Classrooms



Sigomere Primary School -Construction of Two (2) Classrooms



Got Osimbo Primary School -Renovation of four (4) Classrooms



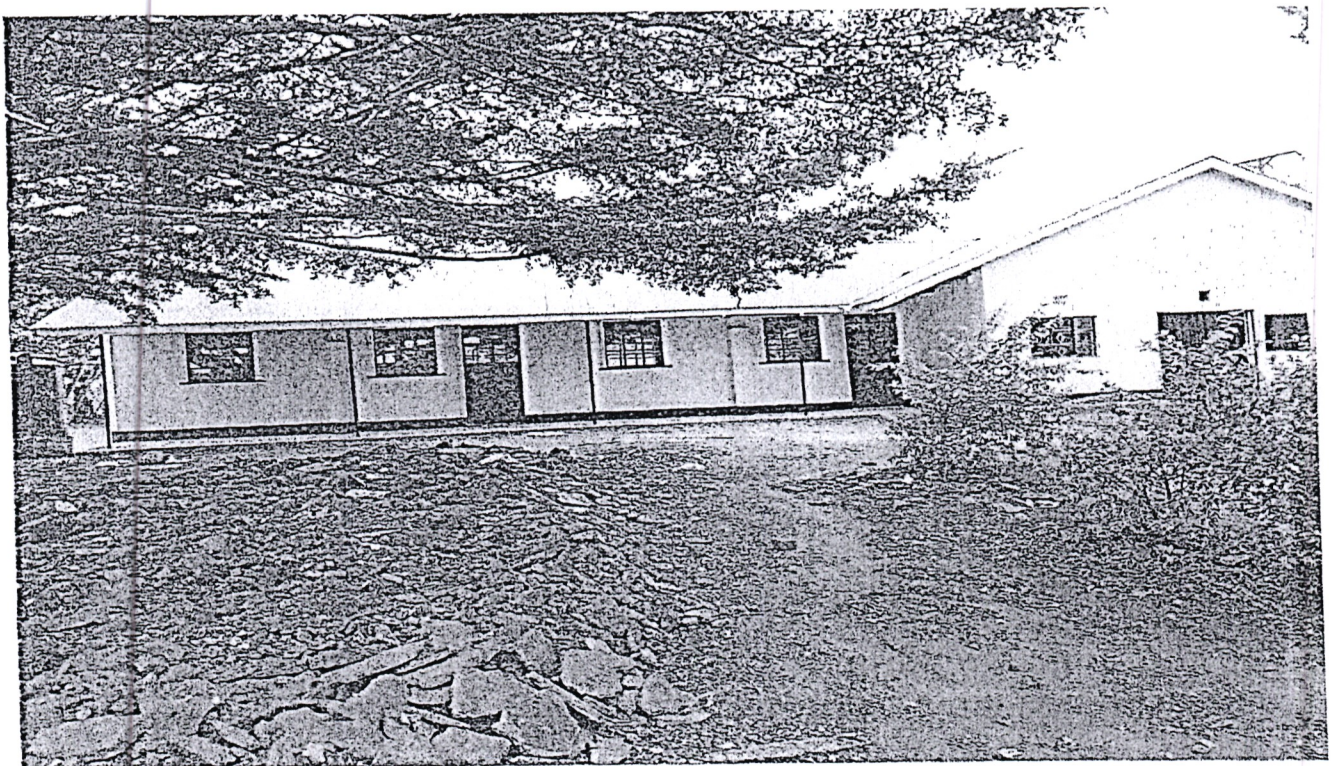
Lwanda Primary School -Renovation of four (4) Classrooms (2021-2022)

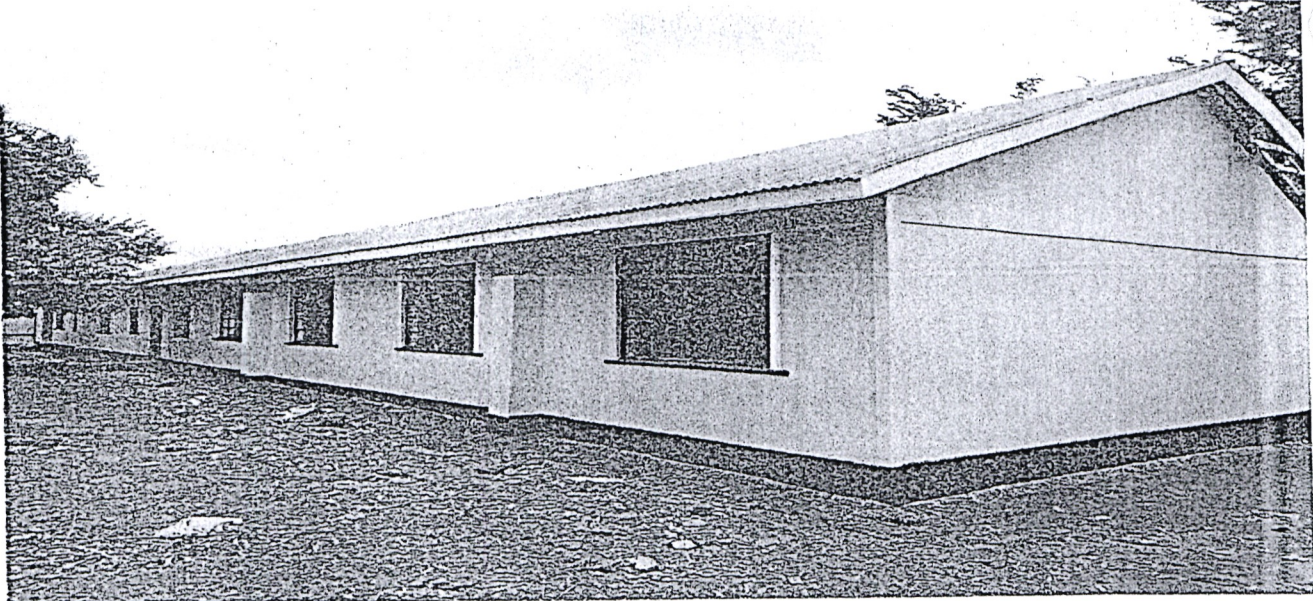


Lwanda Primary School-Renovations of four classrooms



Sango Primary School -Renovation of four (4) Classrooms (2021-2022)

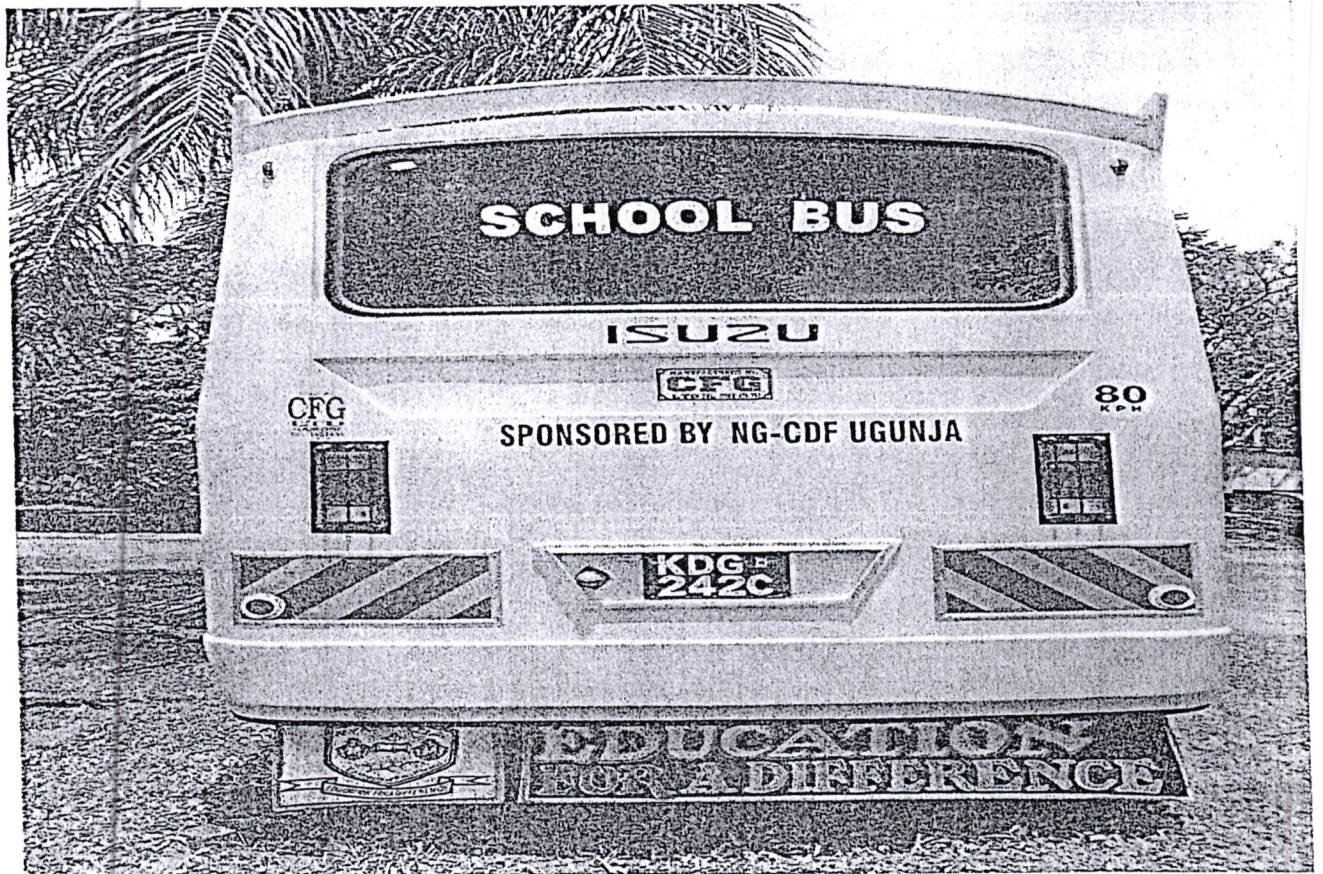
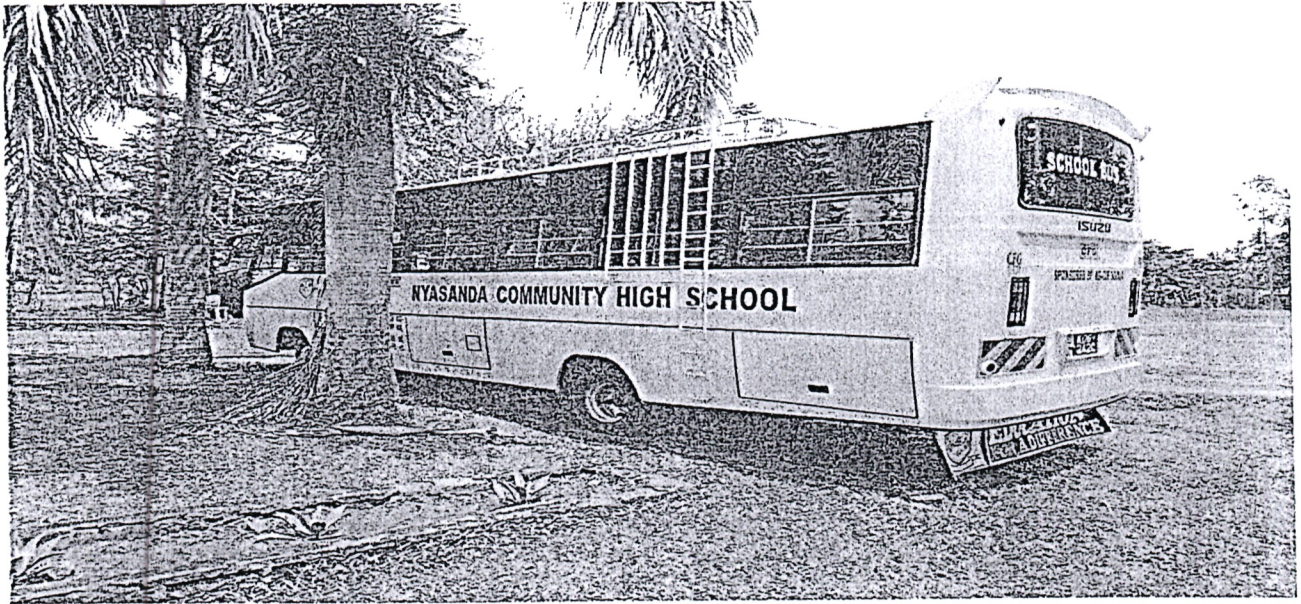




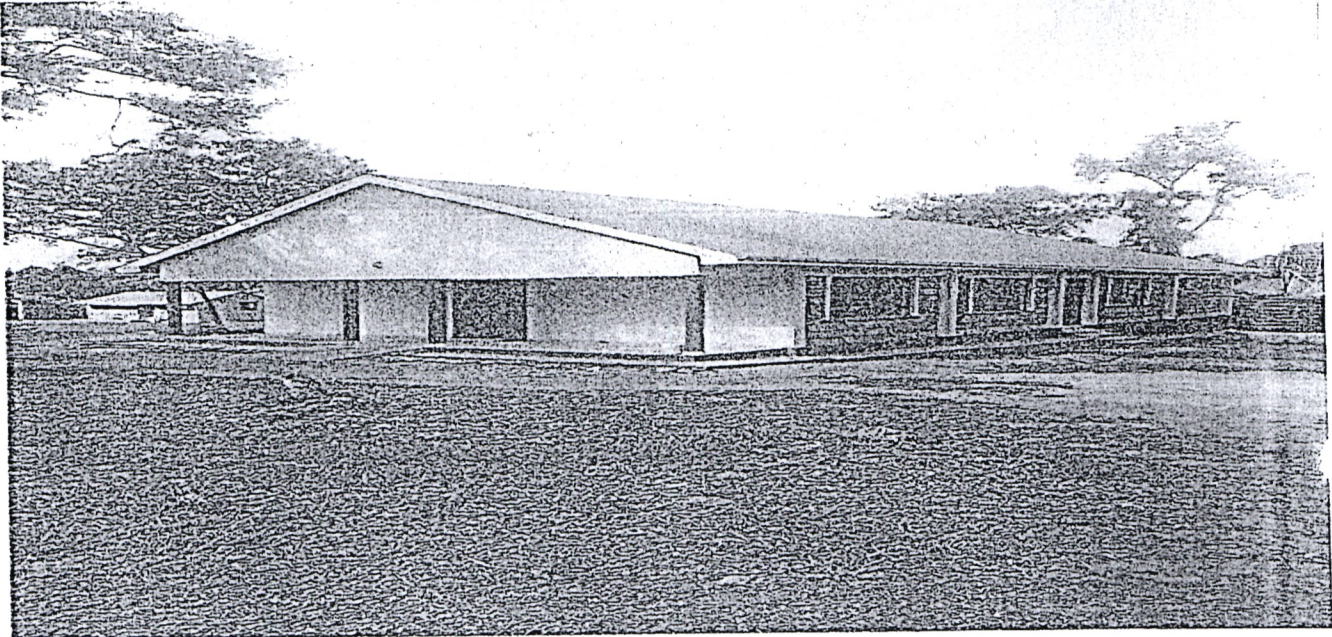
Got Osimbo Girls Secondary School – Construction of a Dormitory Block



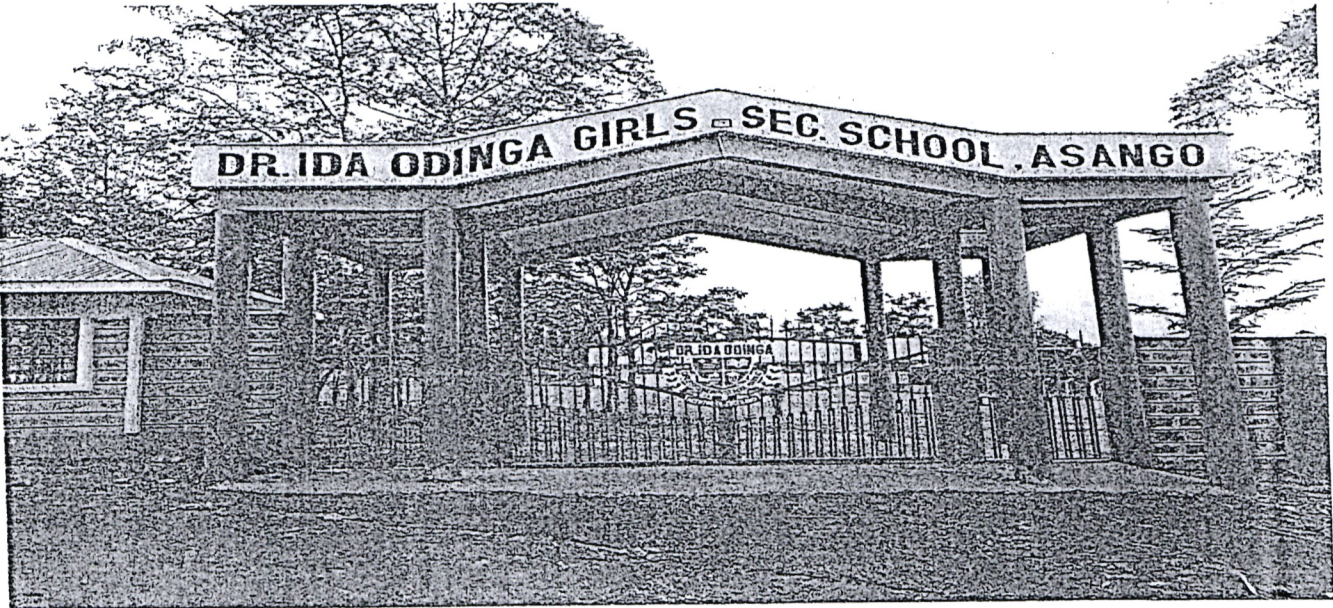
Nyasanda Community High School – Purchase of a 51 seater School Bus



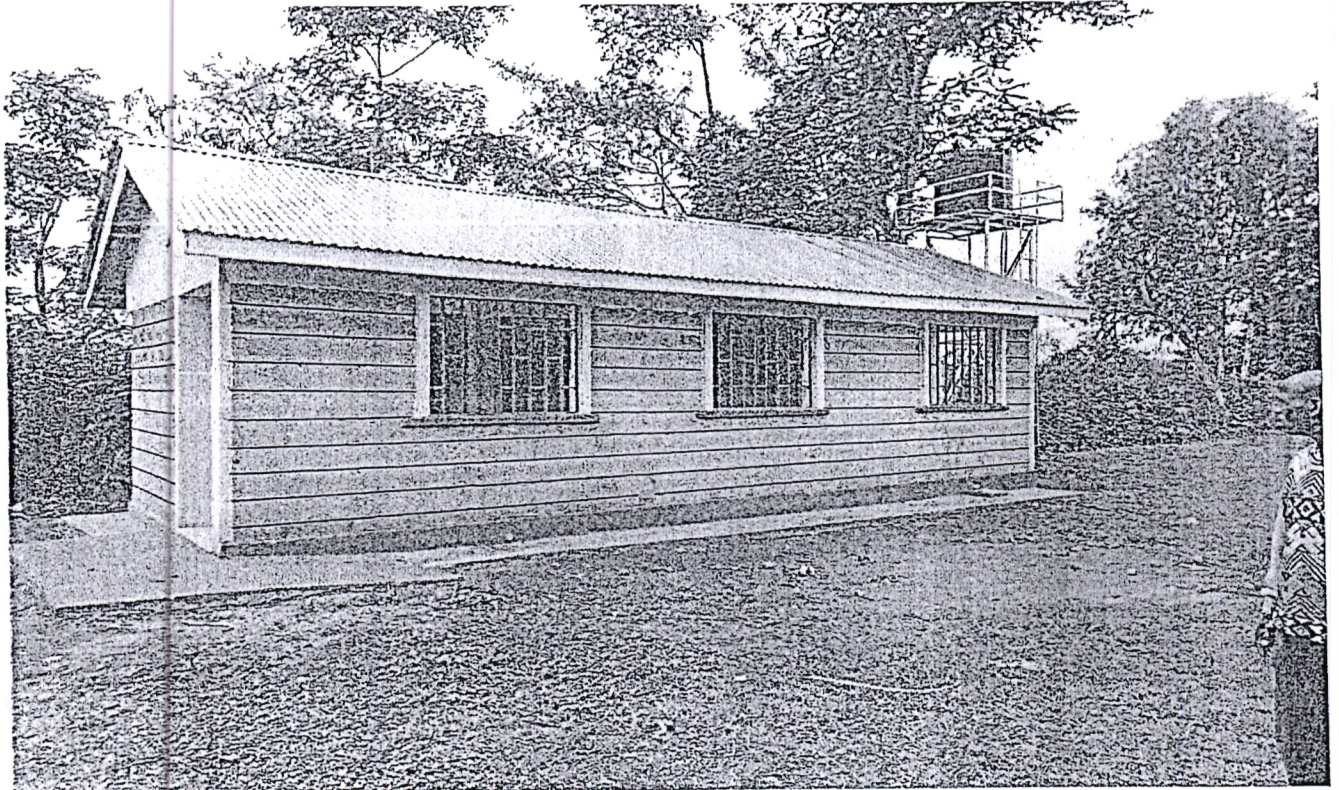
Dr. Ida Odinga Girls Secondary School , Asango – Construction of a Dormitory Block



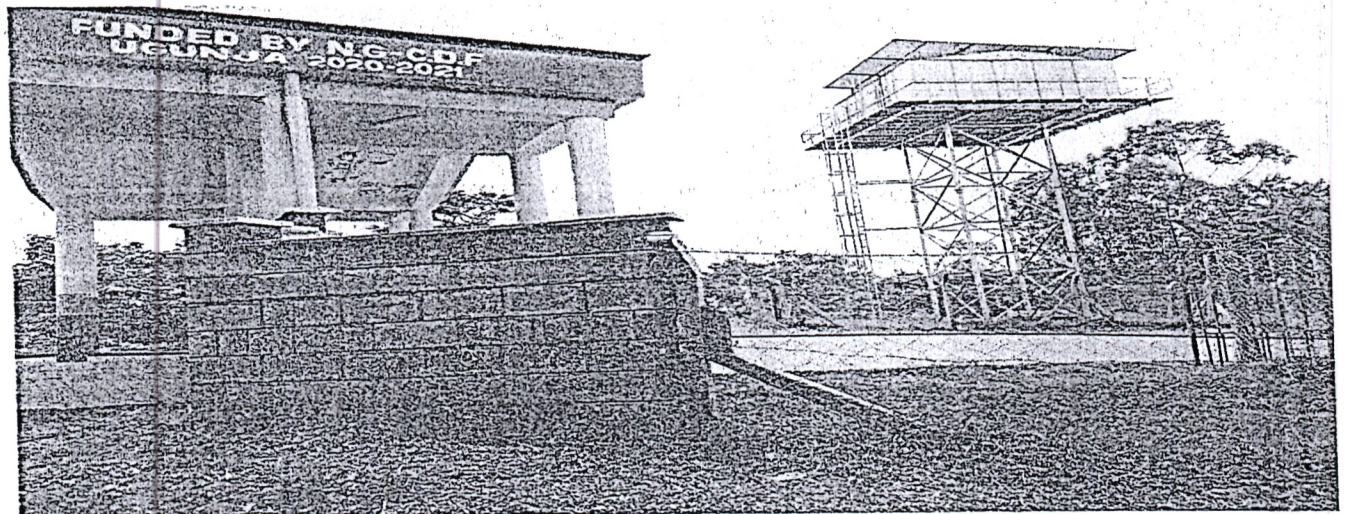
Dr. Ida Odinga Girls Secondary School , Asango – Construction of Concrete Pole Perimeter fence , Guard House and a Gate



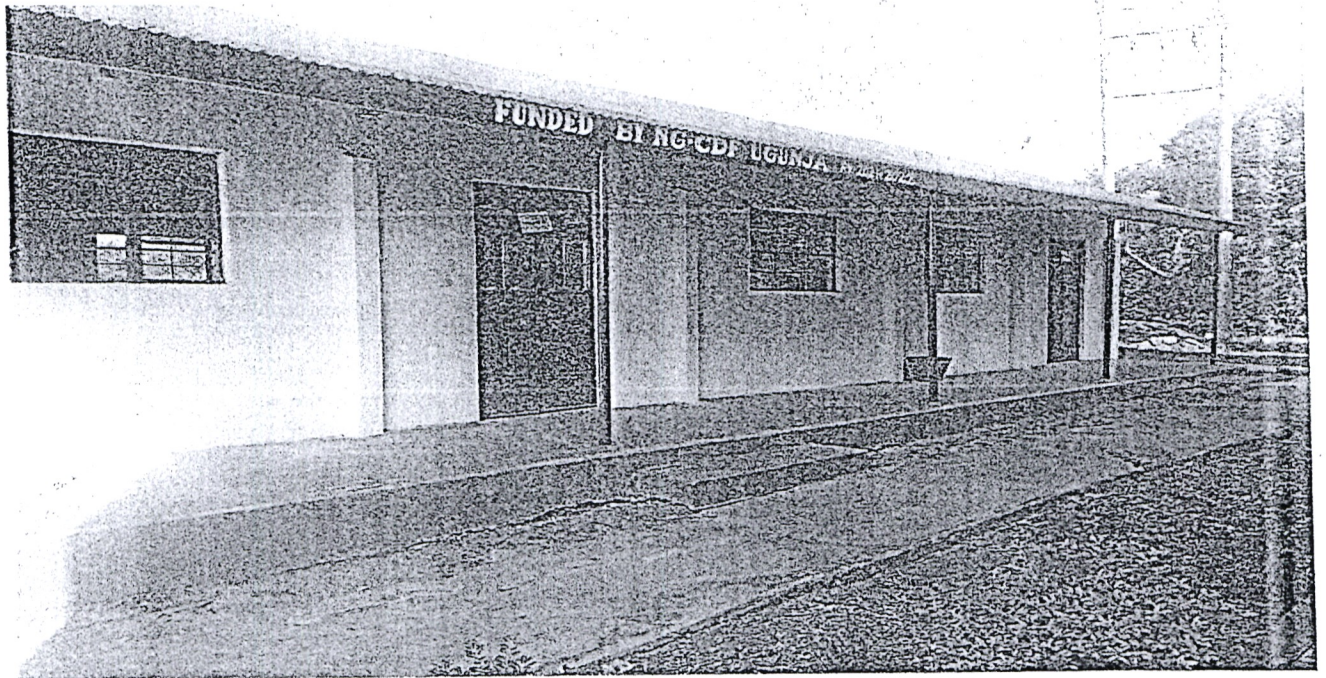
Dr. Ida Odinga Girls Secondary School , Asango – Construction of Absolution Block



National Youths Service (NYS) Ugunja Outstation -Erection of Metallic Water Tower



Ugunja Technical and Vocational Centre -Construction of two Classrooms



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Name: BENARD OMOLLO WERRE
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Ugunja Constituency 2018-2022* plan are to:

- a) To promote value addition in agricultural activities.
- b) To boost scholarship and effective participation of the community through capacity building.
- c) To stimulate structural development, conservation of the environment and socioeconomic development.
- d) To inspire a healthy population to increase productivity and employment opportunities through entrepreneurship.
- e) To promote transparency and accountability through project impact analysis and proper monitoring and evaluation.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 21/22 -we have completed the construction of 6 classrooms, 2 laboratories. - We had disbursed Bursary to over 1000 beneficiaries in both secondary and universities.
Security	To increase security administration services fastened	Increased security in the community and harness good behaviours of the members of the community	-number of usable chiefs offices and police stations constructed.	We constructed a total 4 Assistant Chiefs Offices, 2 Chiefs Offices and 1 police Post.
Environment	To conserve the	Increased	Tree planting in	We planted tree

Constituency Program	Objective	Outcome	Indicator	Performance
	environment and beautify it	number of trees within government institutions	the institutions were done and trees survived	seedlings in 10 government institutions.
Sports	To empower youths to identify their talents.	Youths have a source of income thus reducing dependency and crime.	Number of groups have benefited from tournaments organised by the entity	We supported 25 teams by providing uniforms and balls.

IV. Environmental and Sustainability Reporting

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

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

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

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

2. Environmental performance

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

3. Employee welfare

We invest in providing the best working environment for our employees. UGUNJA 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. UGUNJA constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of

movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

UGUNJA NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

UGUNJA 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.

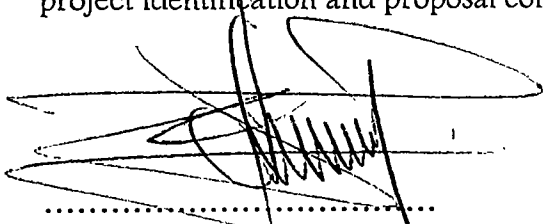
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



.....
Dr. BOAZ OMONDI-ODEYO, PhD
FUND ACCOUNT MANAGER

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-UGUNJA 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-UGUNJA 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- UGUNJA 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.

The Accounting Officer in charge of the NGCDF UGUNJA 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.

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

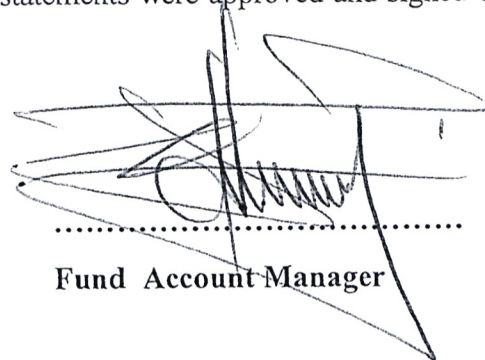
Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Ugunja Constituency financial statements were approved and signed by the Accounting Officer on 17/05 2023.



.....
Chairman – NGCDF Committee



.....
Fund Account Manager

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - UGUNJA 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 - Ugunja Constituency set out on pages 25 to 66,

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

which comprise of the statement of receipts and payments for the year ended 30 June, 2022, statement of assets and liabilities, statement of cash flows and summary statement of Appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 National Government Constituencies Development Fund - Ugunja 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 Constituency Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unexplained Variance in Receipts

The statement of receipts and payments reflects total receipts amounting to Kshs.175,777,758. Review of the Fund's bank statements and computation of all the receipts to the Fund during year revealed a total of Kshs.180,277,758, resulting to unexplained variance of Kshs.4,500,000.

In the circumstance, the accuracy and completeness of receipts totalling Kshs.175,777,758 could not be confirmed.

2.0 Unreconciled PMC Bank Balances

Note 17.4 to the financial statements reflects Project Management Committees (PMC) accounts balances amounting to Kshs.22,325,620 and as detailed in Annex 5. However, bank reconciliation statements for the accounts and other related supporting documents such as bank statements and cashbooks were not provided for audit review contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which require that Accounting Officers to ensure bank accounts reconciliations are completed for each bank account not later than the 10th day of the subsequent month to the National Treasury with a copy to the Auditor-General.

Further, returns from the PMCs to the constituency committee were not provided for audit review hence, it was not confirmed whether the PMCs accounted for funds transferred to the respective accounts as required in the National Government Constituency Development Fund Regulations, 2016.

In the circumstances, the accuracy and completeness of Project Management Committee account balances totalling of Kshs.22,325,620 could not be confirmed.

3.0 Non-Remittance of Unutilized Funds

Note 17.4 reflects Kshs.50,942,967 in respect of opening balance of Projects Management Fund. The balance relates to the monies held in the Projects Management Committee bank accounts at the beginning of the year under review with some dating far back to 2013/2014 financial year. Review of the project implementation report revealed that projects which the balances related to were reflected as complete and therefore the funds ought to have been returned to the Constituency Development Fund account as provided for in Section 12(6) of the National Government Constituencies Development Fund Act, 2015

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.8,895,764 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 - Ugunja 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 totalling Kshs.195,627,714 and Kshs.191,127,714 respectively, resulting to an underfunding of Kshs.4,500,000 (or 2%) of the budget. Similarly, the Fund expended Kshs.182,231,950 against an approved budget of Kshs.195,627,714 resulting to an under expenditure of Kshs.13,395,764 (or 7%) of the budget.

The underfunding and under expenditure affected the planned activities and impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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.

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

Basis for Conclusion

1.0 Expenditure of Emergency Funds on Other Projects

The statement of receipts and payments reflect Kshs.92,654,207 in respect of other grants and transfers. As disclosed in Note 7 to the financial statements, the amount includes Kshs.7,192,207 incurred on emergency projects. However, review of the records of funded projects revealed that they did not meet the criteria set in in Section 8(3) of the National Constituency Development Fund Act, 2015 of 'urgent, unforeseen need for expenditure that could not be delayed until the next financial year without harming the public interest of the constituents'.

Further, the utilization of the emergency fund was not reported to the Board within thirty (30) days of the occurrence of the emergency in the format prescribed by the board contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

2.0 Procurement of Goods and Services

2.1 Irregular Award of Contract

A local construction company was awarded a contract for construction of ablution block at Dr. Ida Odinga Girls Secondary School at a contract price of Kshs.1,938,637. According to the evaluation committee report of 1 January, 2022, two bidders were found responsive in technical evaluation by both scoring thirty (30) marks and were subjected to financial evaluation, scoring 19.2 and 20 marks respectively.

The tender documents indicated that the highest score was to be determined from combining technical and financial scores, which would have resulted in a combined score of 49.2 and 50 for the two bidders respectively. However, the evaluation committee recommended award to the bidder with lower combined score of 49.2. This effectively led to the Fund incurring an extra cost of Kshs.75,677 since the awarded bidder had quoted Kshs.1,862,960 compared to that of Kshs.1,787,283 by the higher scorer. In addition, the Project Management Committee further directly engaged the contracted company for further works costing Kshs.324,914 to complete the ablution block without justification.

2.2 Un-procedural Procurement of Sports Items

A supplier was contracted to supply sports items for tournaments held on 12 March, 2022 and 21 March, 2022 for Kshs.386,000 and Kshs.524,400 respectively. The Management during procurement of the items issued quotations to only two suppliers contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015 which provides that quotations should be issued to as many persons as necessary to ensure effective competition and shall be given to at least three persons. Further, the supplier was awarded the second supply contract at a price of Kshs.524,400 which was higher compared to the other bidder who had quoted Kshs,521,600 for the same items.

2.3 Irregular Procurement of Renovation works

The Management awarded a contract to a local contractor for renovation of three classrooms at Sirandumb Primary School under emergency fund. Review of the project file revealed that the contractor was not the lowest evaluated bidder in the combined technical and financial score according to the evaluation committee report. The three evaluated bidders had registered a combined score of 18, 40, and 39.87 respectively. However, the bidder who registered a score of 39.87 was awarded the contract under unclear circumstances. In addition, the contract period was ninety (90) days but the contractor had taken more than six (6) months with no extension to the contract period and the works were still incomplete as at the time of audit in March, 2023.

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

3.0 Un-procedural change of Project Scope

The statement of receipts and payments reflects transfers to other Government units amounting to Kshs.76,182,407. As disclosed in Note 6 to the financial statements, the transfers include an amount of Kshs.39,821,286 to secondary schools. Review of the beneficiaries of the funds revealed that Kshs.6,000,000 and Kshs.2,000,000 disbursed to Dr. Ida Odinga Girls Secondary School, Asango for construction of twenty (20) cubicle rooms bungalow dormitory and construction of 10-room capacity ablution block with five rooms for people living with disabilities (PWD) in accordance with the approved work plan and procurement plan.

Physical verification of the projects revealed change of the scope of the projects whereby the school ablution block done was changed to 8-room capacity ablution block with no rooms for the PWD. Further, the school dormitory contained only seven (7) cubicles instead of the twenty (20) cubicles room capacity initially planned for and approved by the board. The change of scope was not supported by requisite approvals, design changes and price variation and adjustments.

In the circumstances, the value for money for the project could not be confirmed and the accruing benefits to the school were yet to be realized.

4.0 Invalid Contract

During the year under review, Management engaged a contractor for construction of two classrooms at Murumba Nyiro Primary School at a contract price of Kshs.1,949,496. Physical verification of the works at the school in March, 2023 revealed the contractor was still on site and the project was ongoing despite the contract period having elapsed in September, 2022. Although the contractor had sought an extension of one month from 24 September, 2022 and which was approved by the Project Management Committee, no other extension was sought after the lapse of the one-month extension. The contractor was therefore working without a valid contract.

In the circumstances, Management was in breach of law and delay in completion of the project denied the community accruing benefits from the project.

5.0 Expenditure above Procurement Threshold

The statement of receipts and payments reflects expenditure on use of goods and services amounting to Kshs.11,087,736. Review of the payment vouchers and supporting documents revealed expenditure of Kshs.1,682,970 being payment for supplies of food items, computer, office supply, stationery and electrical items which were purchased in cash using standing imprest. However, the expenditures exceeded the approved limit of Kshs.50,000 allowed under the Public Procurement and Assets Disposal Act, 2015 for use of cash purchases and ought to have been procured competitively.

In the circumstances, the regularity for expenditure of Kshs.1,682,970 on use of goods and services could not be confirmed.

6.0 Summary of Fixed Assets

The summary of fixed asset register in Annex 4 to the financial statements indicate that the Fund had assets valued at Kshs.22,923,184 as at 30 June, 2022. However, the ownership documents for one motor vehicle and a motorcycle reflected in the assets register were not provided for audit review.

Further, although the Fund's vehicle and motorcycles were said to have been insured, the respective insurance policies were not provided for audit review.

In the circumstances, the ownership of the motor vehicle and motorcycle could not be confirmed.

7.0 Delays in Implementation of Projects

Review of the projects' implementation status report for Ugunja Constituency as at 30 June, 2022 revealed that Management planned to implement fifty-three (53) projects and allocated a total of Kshs.137,088,879 in the year under review. However, forty-nine (49) projects with an allocation of Kshs.125,008,879 or 91% of the planned projects had been completed, while four (4) projects with allocation of Kshs.12,000,000 or 9% had not started or were still ongoing as at the time of audit in March, 2023.

In the circumstances, the residents of Ugunja Constituency were denied the benefits associated with the completed projects.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 July, 2023



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Ugunja Constituency

National Government Constituencies Development Fund (NGCDF)

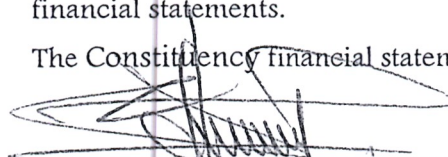
Annual Report and Financial Statements for The Year Ended June 30, 2022

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


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	175,777,758	163,267,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		175,777,758	163,267,724
Payments			
Compensation Of Employees	4	2,307,600	2,909,340
Use Of Goods and Services	5	11,087,736	10,546,869
Transfers To Other Government Units	6	76,182,407	117,664,449
Other Grants and Transfers	7	92,654,207	17,550,000
Acquisition Of Assets	8	-	-
Other Payments	9	-	-
Total Payments		182,231,950	148,670,658
Surplus/(Deficit)		(6,454,192)	14,597,066

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

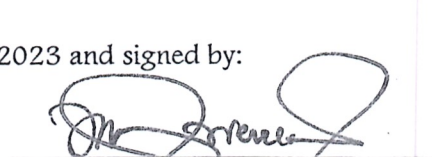
The Constituency financial statements were approved on 17/6/2023 and signed by:


Fund Account Manager

Name: Dr. Boaz O. Odeyo ,
PhD


National Sub-County
Accountant

Name: Lazaro Adhu
ICPAK M/No: 21306


Chairman NG-CDF
Committee

Name: Benard O. Werre

Ugunja Constituency

National Government Constituencies Development Fund (NGCDF)

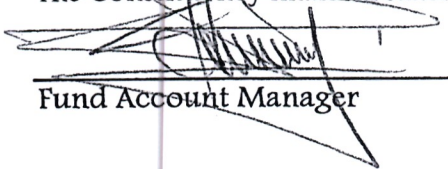
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

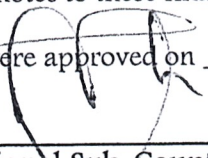
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	8,895,764	15,349,956
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		8,895,764	15,349,956
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		8,895,764	15,349,956
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		=	=
Net Financial Assets		8,895,764	15,349,956
Represented By			
Fund Balance B/Fwd	13	15,349,956	752,890
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(6,454,192)	14,597,066
Net Financial Position		8,895,764	15,349,956

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

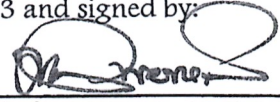
The Constituency financial statements were approved on 17/5/2023 and signed by:


Fund Account Manager

Name: Dr. Boaz O. Odeyo ,
PhD


National Sub-County
Accountant

Name: Lazaro Adhu
ICPAK M/No:21306


Chairman NG-CDF
Committee

Name: Benard O. Werre

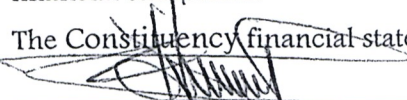
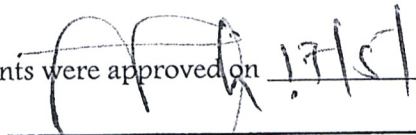
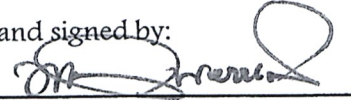
*Ugunja Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	175,777,758	163,267,724
Other Receipts	3	-	-
Total Receipts		175,777,758	163,267,724
Payments			
Compensation Of Employees	4	2,307,600	2,909,340
Use Of Goods and Services	5	11,087,736	10,546,869
Transfers To Other Government Units	6	76,182,407	117,664,449
Other Grants and Transfers	7	92,654,207	17,550,000
Other Payments	9	-	-
Total Payments		182,231,950	148,670,658
Total Receipts Less Total Payments			
Adjusted For:		-	-
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(6,454,192)	14,597,066
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(6,454,192)	14,597,066
Cash & Cash Equivalent At Start Of The Year	10	15,349,956	752,890
Cash & Cash Equivalent At End Of The Year	10	8,895,764	15,349,956

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 17/6/2023 and signed by:

 _____ Fund Account Manager Name: Dr. Boaz O. Odeyo, PhD	 _____ National Sub-County Accountant Name: Lazaro Adhu ICPAK M/No:21306	 _____ Chairman NG-CDF Committee Name: Benard O. Werre
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**Ugunja Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	b	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
	2021/2022				2021/2022	30/06/2022		
Receipts	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879		15,349,956	43,188,879	195,627,714	191,127,714	4,500,000	97.7%
Proceeds From Sale of Assets	-		-	-	-	-	-	0%
Other Receipts	-		-	-	-	-	-	0%
Totals	137,088,879		15,349,956	43,188,879	195,627,714	191,127,714	4,500,000	97.7%
Payments								
Compensation Of Employees	2,780,940		438,747	0	3,219,687	2,307,600	912,087	71.7%
Use Of Goods and Services	9,557,058		6,590,040	0	16,147,098	11,087,736	5,059,362	68.7%
Transfers To Other Government Units	67,185,674		7,535,762	7,000,000	81,721,436	76,182,407	5,539,029	93.2%
Other Grants and Transfers	57,565,207		785,407	36,188,879	94,539,493	92,654,207	1,885,286	98.0%
Acquisition Of Assets	-		-	-	-	-	-	0%
Other Payments	-		-	-	-	-	-	0%
Totals	137,088,879		15,349,956	43,188,879	195,627,714	182,231,950	13,395,764	93.2%

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

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

Explanatory Notes .

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

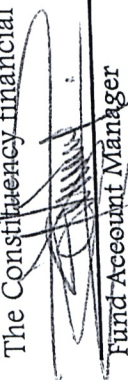
(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

1. For Use Of Goods and Services the utilization is below 90% because not all the expenditures had been made within the financial year as a result in the delay in the disbursements of the funds from the NG-CDF Board.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	13,395,764
Less undisbursed funds receivable from the Board as at 30 th June 2022	4,500,000
	8,895,764
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	8,895,764

The Constituency financial statements were approved on 17/6/2023 and signed by:


Fund Account Manager

Name: Dr. Boaz O. Odeyo , PhD



Chairman NG-CDF Committee

Name: Benard O. Werre

National Sub-County Accountant

Name: Lazaro Adhu
ICPAK M/No: 21306

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

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

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,780,940	438,747	-	3,219,687	2,307,600	912,087
1.2 Committee allowances	1,276,800	2,919,490	-	4,196,290	2,464,500	1,731,790
1.3 Use of goods and services	4,167,592	277,926	-	4,445,518	4,116,181	329,337
2.0 Monitoring and evaluation						
2.1 Capacity building	1,000,000	2,136,223	-	3,136,223	1,855,055	1,281,168
2.2 Committee allowances	1,148,000	1,166,240	-	2,314,240	652,000	1,662,240
2.3 Use of goods and services	1,964,666	90,161	-	2,054,827	2,000,000	54,827
3.0 Emergency		285,407	-	285,407	-	285,407
3.1 Primary Schools						
3.1.1 Ninga primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
3.1.2 Sijimbo Primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
3.1.3 Sirandumb Primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
3.1.4 St. Patrick Ugana Primary	1,000,000.00	-	-	1,000,000	1,000,000	-

*Ugunja 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		-	-	1,000,000	1,000,000	
3.1.5 Ngop Msengini Primary School	1,000,000.00	-	-	1,000,000	1,000,000	-
3.1.6 Uluthe Primary school	250,000.00	-	-	250,000	250,000	-
3.1.7 Ulumba Primary school	250,000.00	-	-	250,000	250,000	-
3.1.8 Wang Otong Primary School	1,000,000.00	-	-	1,000,000	1,000,000	-
3.1.9 Equator Special School	442,207	-	-	442,207	442,207	-
3.2 Secondary schools						-
3.2.1 St. Augustne Ogeda Secondary School	250,000	-	-	250,000	250,000	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
4.0 Bursary and Social Security	-	-	-	-	-	-
4.1 Primary Schools						
4.2 Secondary Schools	22,100,000	-	22,100,000	44,200,000	44,200,000	99,879
4.3 Tertiary Institutions	10,173,000	-	9,988,879	20,161,879	20,062,000	-
4.4 Universities	-	-	-	-	-	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.5 Social Security	2,100,000	-	2,100,000	4,200,000	4,200,000	-
5.0 Sports						
5.1	2,500,000	-	2,000,000	4,500,000	4,500,000	-
6.0 Environment						
6.1	-	-	-	-	-	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 Uluthe Primary school	-	2,000,000	-	2,000,000	2,000,000	-
7.2 Simenya Primary	2,000,000	-	-	2,000,000	2,000,000	-
7.3 Lukongo Luduha Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.4 Sigomere Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.5 Got Osimbo Primary School	2,000,000	150	-	2,000,150	2,000,000	150
7.6 Lwanda Primary School	2,000,000	2,000,000	-	4,000,000	3,861,121	138,879
7.7 Murumba Yiro Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.8 Ullhowe Primary School	500,000	-	-	500,000	500,000	-
7.9 Sango Primary School	2,000,000	-	-	2,000,000	2,000,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Moi Uloma Secondary School	-	-	7,000,000	7,000,000	7,000,000	(600,000)
8.2 Ukalama Secondary school	-	(600,000)	-	(600,000)	-	-
8.3 Nyasanda Community High School	1,000,000	-	-	1,000,000	1,000,000.00	-
8.4 Tingare Secondary School	6,685,674	-	-	6,685,674	6,685,674	-
8.5 Ngunya Secondary School	3,000,000	-	-	3,000,000	3,000,000	-
8.6 Uluthe Secondary School	1,000,000	-	-	1,000,000	1,000,000	-
8.7 Dr. Idda Odinga Girls Secondary School Asango	3,000,000	-	-	3,000,000	3,000,000	-
8.8 Dr. Idda Odinga Girls Secondary School Asango	6,000,000	-	-	6,000,000	6,000,000	-
8.9 Dr. Idda Odinga Girls Secondary School Asango	2,000,000	-	-	2,000,000	2,000,000	-
8.10 Dr. Idda Odinga Girls Secondary School Asango	7,000,000	-	-	7,000,000	7,000,000	-
8.11 Dr. Idda Odinga Girls Secondary School Asango	5,440,000	-	-	5,440,000	0	5,440,000
8.12 Dr. Idda Odinga Girls Secondary School Asango	560,000	-	-	560,000	0	560,000
9.0 Tertiary institutions Projects (List all the Projects)						

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.1 Ugunja National Youth Service Outstation	-	1,000,000	-	1,000,000	1,000,000	-
9.2 Ugunja Kenya Medical Training College	14,000,000	-	-	14,000,000	14,000,000	-
9.3 Ugunja Kenya Medical Training College	1,000,000	-	-	1,000,000	1,000,000	-
9.4 Ugunja Technical Training Institute	2,000,000	-	-	2,000,000	2,000,000	-
10.0 Security Projects						
10.1 Ugunja Sub-County Offices	-	500,000.00	-	500,000	500,000	-
10.2 Rang'ala Assistant Chiefs Office	2,000,000	-	-	2,000,000	2,000,000	-
10.3 Madungu Assistant Chiefs Office	2,000,000	-	-	2,000,000	2,000,000	-
10.4 Ruwe Assistant Chiefs Office	2,000,000	-	-	2,000,000	2,000,000	-
10.5 Ligega Assistant Chiefs Office	2,000,000	-	-	2,000,000	2,000,000	-
10.6 Bugi Police Post	3,000,000	-	-	3,000,000	3,000,000	-
10.7 Sidindi Police Station	500,000	-	-	500,000	500,000	-
10.8 Rambula Police post	1,500,000	-	-	1,500,000	0	1,500,000
10.9 Ugunja Police Station	500,000	-	-	500,000	500,000	-

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.0 Acquisition of assets	-	-	-	-	-	-
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
12.0 Others	-	-	-	-	-	-
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.2	-	-	-	-	-	-
Funds pending approval**	-	-	-	-	-	-
Total	137,088,879	15,349,956	43,188,879	195,627,714	182,231,950	13,395,764

(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 Treasurer

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-Ugunja 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 receive

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

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 June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B104511		18,000,000
AIE NO.B104686		25,000,000
AIE NO.A823739		26,367,724
AIE NO.B124685		9,000,000
AIE NO.B119674		10,000,000
AIE NO.B119713		15,000,000
AIE NO.B128306		6,900,000
AIE NO.B132067		7,000,000
AIE NO.B132360		6,000,000
AIE NO.B126029		12,000,000
AIE NO.B126321		6,000,000
AIE NO.B105446		10,000,000
AIE NO.B140760		12,000,000
AIE NO. B105317	33,000,000	
AIE NO.B105404	34,000,000	
AIE NO.B105619	34,000,000	
AIE NO.B128728	12,000,000	
AIE NO.B163890	26,000,000	
AIE NO.154234	26,588,879	
AIE NO.888512	10,188,879	
TOTAL	175,777,758	163,267,724

2. Proceeds From Sale of Assets

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

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3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,286,000	2,887,740
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees		-
Employer Contributions Compulsory national social security schemes	21,600	21,600
Total	2,307,600	2,909,340

*Ugunja 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

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	69,805	398,516
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	73,080	-
Domestic travel and subsistence	168,800	1,318,400
Printing, advertising and information supplies & services	-	144,900
Rentals of produced assets	-	-
Training expenses	1,855,055	1,475,700
Hospitality supplies and services	1,397,090	1,042,489
Other committee expenses	652,000	964,000
Committee allowance	2,464,500	1,402,400
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,598,040	2,204,558
Fuel , oil & lubricants	1,600,000	500,000
Other operating expenses	643,100	439,910
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	462,266.00	435,012
Routine maintenance- other assets	104,000	220,984
TOTAL	11,087,736	10,546,869

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	18,361,121	27,700,061
Transfers To Secondary Schools (See Attached List)	39,821,286	26,464,388
Transfers To Tertiary Institutions (See Attached List)	18,000,000	63,500,000
Total	76,182,407	117,664,449

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Notes To The Financial Statements (Continued)

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	44,224,000	-
Bursary – tertiary institutions (see attached list)	20,038,000	-
Bursary – special schools (see attached list)	4,200,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	12,500,000	8,550,000
Sports projects (see attached list)	4,500,000	2,000,000
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	7,192,207	7,000,000
Total	92,654,207	17,550,000

8. Acquisition Of Assets

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

9. Other Payments

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

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Notes To the Financial Statements (Continued)

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	8,895,764	15,349,956
<i>Equity Bank- Siaya branch</i> <i>a/c No. 0970261942309</i>	-	-
Total	8,895,764	15,349,956
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

11: Outstanding Imprests

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Boaz O. Odeyo</i>	3/8/2021	400,000	400,000	0
<i>Boaz O. Odeyo</i>	13/10/2021	300,000	300,000	0
<i>Boaz o. Odeyo</i>	14/1/2022	300,000	300,000	0
<i>Boaz o. Odeyo</i>	9/3/2022	400,000	400,000	0
<i>Boaz o. Odeyo</i>	23/05/2022	200,000	200,000	0
Total		1,600,000	1,600,000	0

Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	15,349,956	752,890
Cash in hand		
Imprest		
Total	15,349,956	752,890

14. Prior Year Adjustments

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	1,600,000	0
Imprest surrendered during the Year (C)	1,600,000	0
closing accounts in account receivables D= A+B-C	0	0
Changes in Account Receivables E= D-A	0	0

16. Changes in Accounts Payable – Deposits and Retentions

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

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff Gratuity	602,640	0
Others (<i>specify</i>)	-	-
Total	602,640	0

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	912,087	1,015,515
Use of goods and services	5,059,362	5,837,150
Amounts due to other Government entities (see attached list)	5,539,029	14,535,762
Amounts due to other grants and other transfers (see attached list)	1,885,286	37,158,407
Acquisition of assets	-	-
Funds pending approval	-	-
Total	13,395,764	58,546,834
	13,395,764	

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	22,325,620	50,942,967
Total	22,325,620	50,942,967

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Annexes
Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff Gratuity				
1. Stephen Ochieng Mangira	Clerks Of Works	6 th November, 2014	100,440	Pending payment
2. Lawrence Otieno Rachiigi	Accounts Assistant	1 st January, 2014	89,280	Pending payment
3. Elizabeth Awuor Wasonga	Clerical Officer	1 st February, 2016	78,120	Pending payment
4. Daniel Ogola Ogos	Driver	16 th February, 2018	74,400	Pending payment
5. Nancy Awino Aluoch	Office Assistant	1 st February, 2016	66,960	Pending payment
6. Joseph Ochieng Achengo	Messenger	1 st January, 2014	48,360	Pending payment
7. Lilian Hannah Omuka	Cleaner	1 st January, 2014	48,360	Pending payment
8. Fredrick Ochieng Obel	Security	1 st January, 2014	48,360	Pending payment
9. Joseph Otieno Ogola	Security	6 th November, 2014	48,360	Pending payment
Sub-Total			602,640	
Grand Total			602,640	

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Annex 3 – Unutilized Fund				
Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Paying Salaries of NG-CDFC Staff	912,087	1,015,515	Implementations in progress
Use of goods & services	Purchasing of Goods and Services in the Office	5,059,362	5,837,150	Implementations in progress
Amounts due to other Government entities				
Lwanda Primary School	Construction of two classrooms	138,879	2,000,000	Implementations in progress
Uliuhe Primary School	Construction of two classrooms	-	2,000,000	Implementations in progress
Got Osimbo Primary School	Balance as a result of construction of two classrooms	150	150	Implementations in progress
Secondary Schools				
Dr. Ida Odinga Girls Secondary School Asango	Construction of kitchen and dining hall	5,440,000	-	Implementations in progress
Dr. Ida Odinga Girls Secondary School Asango	Purchasing of beds for the institution.	560,000	-	Implementations in progress
Moi Uloma Secondary School	Construction of Twin laboratory		7,000,000	Implementations in progress
Got Osimbo Girls Secondary School	Completion of a dining hall		3,135,612	Implementations in progress
Ukalama Secondary School	Re-allocations towards completion of two classrooms	(600,000)	(600,000)	
Tertiary Institutions				
Ugunja National Youth Service Outstation	Drilling of a borehall	-	1,000,000	Implementations in progress
Amounts due to other grants and other				

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
transfers				
Security				
Rambula Police post	Construction of police post	1,500,000	-	Implementations in progress
Ugunja Sub-County Offices	Construction of armoury	-	500,000	Implementations in progress
Emergency	Carrying out unforeseen occurrence in the constituency	285,407	285,407	Implementations in progress
Bursary and Social Security				
Secondary Schools	Paying of bursaries to needy students in secondary School	-	22,100,000	Implementations in progress
Tertiary Institutions/universities	Paying of bursaries to needy students in Tertiary School	99,879	10,173,000	Implementations in progress
Special schools	Paying of bursaries to needy students in Special School	-	2,100,000	Implementations in progress
Sports	Carrying out constituency Tournaments	-	2,000,000	Implementations in progress
Sub-Total		-	-	
Acquisition of assets		-	-	
Others (<i>specify</i>)		-	-	
Sub-Total		-	-	
Funds pending approval				
Grand Total		13,395,764	58,546,834	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Buildings and structures	15,781,654	-	-	15,781,654
Transport equipment		-	-	
Office equipment, furniture and fittings	1,360,000	-	-	1,360,000
ICT Equipment, Software and Other ICT Assets	200,000	-	-	200,000
Other Machinery and Equipment	5,581,530	-	-	5,581,530
Heritage and cultural assets		-	-	
Intangible assets		-	-	
Total	22,923,184	-	-	22,923,184

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

PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
SIDINDI PRIMARY SCHOOL	KCB Ugunja	1118423577	13/02/2014		134,177
ULUTHE PRIMARY SCHOOL	KCB Ugunja	1111264007	02/4/2015		192,056
BAR ATHENG PRIMARY SCHOOL	KCB Ugunja	1117033031	02/4/2016		171164
LUNJRE PRIMARY SCHOOL	KCB Ugunja	1156596090	2/5/2016		474,736
SUWINGA PRIMARY SCHOOL	KCB Ugunja	1170644112	12/3/2017		515,557
ULANDA PRIMARY SCHOOL	KCB Ugunja	1110885547	2/4/2014		173,258
UMINA PRIMARY SCHOOL	KCB Ugunja	1178420795	20/6/2016		146,699
MUDHIERO PRIMARY SCHOOL	KCB Ugunja	1235470288	22/2/20017		117,794
GINGA PRIMARY SCHHOL	KCB Ugunja	1109666543	21/3/2014		2,022,223
RANGALA GIRLS PRIMARY SCHOOL	KCB Ugunja	1281199974	23/5/2016		181,610
UREF PRIMARY SCHOOL	KCB Ugunja	1117031497	20/4/2017		251,634
LUOKA PRIMARY SCHOOL	KCB Ugunja	1110602065	11/3/2014		41,449
MAYINGO PRIMARY SCHOOL	KCB Ugunja	1262668662	22/2/2015		173,745
ORAO PRIMARY SCHOOL	KCB Ugunja	1110860544	21/2/2017		191,006
OGEDA PRIMARY SCHOOL	KCB Ugunja	1226386105	29/6/2018		1,000,970
MASAMRA PRIMARY SCHOOL	KCB Ugunja	1134577036	15/3/2015		2,010,359
ST. PASKALIA NAYA PRIMARY SCHOOL	KCB Ugunja	1235257290	2/3/2019		2,018,989
ULAWE PRIMARY SCHOOL	KCB Ugunja	1117096572	20/4/2016		2,058,213
UGENYA HIGH SCHOOL	KCB Ugunja	1124999957	22/4/2015		779

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PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
UMINA MIXED SECONDARY SCHOOL	KCB Ugunja	1110708815	20/4/2014		31,483
ULUTHE SECONDARY SCHOOL	KCB Ugunja	1169645895	11/5/2016		1,276
BAR ATHENG SECONDARY SCHOOL	KCB Ugunja	1203628579	11/5/2005		83,954
GOT OSIMBO GIRLS SECONDARY SCHOOL	KCB Ugunja	1125338725	12/4/2016		175,031
NYASANDA COMMUNITY HIGH SCHOOL	KCB Ugunja	1286989787	12/4/2014		7,000,000
NYASANDA PRIMARY SCHOOL	KCB Ugunja	1116902621	23/7/2015		251,530
UGUNJA NYS OUTSTATION	KCB Ugunja	1277515840	11/3/2020		12,381,063
UGUNJA MEDICAL TRAINING COLLEGE	KCB Ugunja	1266057285	14/4/2019		10,323,871
UGUNJA TECHNICAL TRAINING INSTITUTE	KCB Ugunja	1234555808	12/5/2015		2,007,394
NGUNYA PRIMARY SCHOOL	KCB Ugunja	1125418311	13/3/2014		1,001,963
MURUMBA YIRO PRIMARY SCHOOL	KCB Ugunja	1133471285	14/11/2014		1,000,750
NGUNYA ASS. CHIEF OFFICE	KCB Ugunja	1270935518	22/2/2017		401,073
SIKALAME PRIMARY SCHOOL	KCB Ugunja	1110987536	29/4/2014		802,044
LUKONGO LUDUHA PRIMARY SCHOOL	KCB Ugunja	1110728271	22/2/2015		250,306
UKALAMA PRIMARY SCHOOL	KCB Ugunja	1117029476	14/3/2014		109,431
RANGALA ASS. CHIEFS OFFICE	KCB Ugunja	1283448114	22/11/2021		1,880
UMINA AP POST	KCB Ugunja	1260132072	12/6/2017		479,05
WEST UHOLO CHIEFS OFFICE	KCB Ugunja	1281307106	22/3/2016		213,307
SIKALAME ADMIN CENTRE	KCB Ugunja	1170150993	21/4/2015		340

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PMC	Bank	Account number	Date Opened	Bank-Balance 2021/22	Bank Balance 2020/21
NORTH UHOLO CHIEFS OFFICE	KCB Ugunja	1208420135	21/4/2015		0
SIMENYA ASS. CHIEFS OFFICE	KCB Ugunja	1284797783	22/11/2020		2,000,000
GOT OSIMBO ASSISTANT CHIEFS OFFICE	KCB Ugunja	1257719122	4/11/2021		46,669
YIRO EAST ASS. CHIEFS OFFICE	KCB Ugunja	1258917599	4/11/2019		2,092
UGUNJA CDF SPORTS	KCB Ugunja	1163914320	22/4/2014		1,190
MUDAHO PRIMARY SCHOOL	KCB Ugunja	1169700098	20/8/2014		250,672
SIJIMBO PRIMARY SCHOOL	KCB Ugunja	1182653936	11/5/2012		250,177
LWANDA PIMARY SCHOOL	KCB Ugunja	1118026098	11/3/2016	6,897	-
SIGOMERE PRIMARY SCHOOL	KCB Ugunja	1170644015	12/7/2015	185,062	-
LUKONGO LUDUHA PRIMARY SCHOOL	KCB Ugunja	1110728271	2/4/2015	131,505	-
GOT OSIMBO PRIMARY SCHOOL	KCB Ugunja	1207282839	20/3/2015	502,654	-
ULHOWE PRIMARY SCHOOL	KCB Ugunja	1138433179	22/6/2014	58,837	-
ULUTHE PRIMARY	KCB Ugunja	1111264007	11/5/2016	142,465	-
SANGO PRIMARY SCHOOL	KCB Ugunja	1110356919	12/3/2015	25,331	-
MURUMBA YIRO PRIMARY SCHOOL	KCB Ugunja	1133471285	20/11/2016	93,785	-
SIMENYA PRIMARY SCHOOL	KCB Ugunja	1131883772	21/11/2015	2,017	-
GOT OSIMBO GIRLS SEC SCHOOL	KCB Ugunja	1125338725	12/4/2015	173,745	-
NYASANDA COMMUNITY HIGH SCHOOL	KCB Ugunja	1286989787	12/4/2014	1,295	-

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PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
DR. IDDA ODINGA GIRLS SEC. SCHOOL ASANGO	KCB Ugunja	1291405631	2/3/2021	2,486,695	-
NGUNYA SECONDARY SCHOOL	KCB Ugunja	1138622982	20/3/2016	1,418,493	-
ULUTHE SEC. SCHOOL	KCB Ugunja	1169645895	20/3/2016	211	-
TINGARE SEC. SCHOOL	KCB Ugunja	1125338512	28/4/2015	1,159	-
MOI ULOMA SEC. SCHOOL	KCB Ugunja	1117215164	22/3/2011	200,661	-
UGUNJA NYS	KCB Ugunja	1277515840	11/3/2020	127,829	-
UGUNJA TTI	KCB Ugunja	1234555808	12/09/2018	221,178	-
UGUNJA KMTC	KCB Ugunja	1266057285	4/08/2019	14,872,131	-
NINGA PRIMARY SCHOOL	KCB Ugunja	1182460232	11/2/2015	115,619	-
SIJIMBO PRIMARY SCHOOL	KCB Ugunja	1182653936	21/6/2015	122,635	-
SIRANDUMB PRIMARY SCHOOL	KCB Ugunja	1109713320	24/4/2016	85,786	-
ST. PATRICK UGANA PRIMARY SCHOOL	KCB Ugunja	1111471991	22/3/2017	59,277	-
NGOP MISENGNI PRIMARY SCHOOL	KCB Ugunja	1117093093	22/5/2017	241,289	-
ULUMBA PRIMARY SCHOOL	KCB Ugunja	1293239518	20/3/2014	12,234	-
WANG' OTONG PRIMARY SCHOOL	KCB Ugunja	1139251546	22/5/2014	55,882	-
ST. AUGUSTINE OGEDA SECONDARY SCHOOL	KCB Ugunja	1133642608	22/5/2015	31,827	-
EQUATOR SPECIAL SCHOOL	KCB Ugunja	1134574711	20/3/2014	33,924	-
UGUNJA CONSTITUENCY SPORTS TOURNAMENT	KCB Ugunja	1163914320	22/4/2014	265,599	-

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PMC	Bank	Account number	Date Opened	Bank Balance 2021/22	Bank Balance 2020/21
	KCB Ugunja	1285923944	3/5/2020	57,048	-
UGUNJA SUB COUNTY ARMOURY					
LIGEGA ASSISTANT CHIEF'S OFFICE	FAULU BANK- UGUNJA BRANCH	1012852138	4/11/2021	129,760	-
MADUNGU ASSISTANT CHIEF'S OFFICE	FAULU BANK- UGUNJA BRANCH	1012852041	4/11/2021	128,161	-
RUWE ASSISTANT CHIEF'S OFFICE	FAULU BANK- UGUNJA BRANCH	1012852017	4/11/2021	109,877	-
RANGALA ASSISTANT CHIEF'S OFFICE	FAULU BANK- UGUNJA BRANCH	1012851975	4/11/2021	71,835	-
BUGI POLICE POST	FAULU BANK- UGUNJA BRANCH	1012852618	4/11/2021	150,975	-
UGUNJA POLICE STATION	FAULU BANK- UGUNJA BRANCH	1012851959	4/11/2021	972	-
SIDINDI POLICE STATION	FAULU BANK- UGUNJA BRANCH	101285948	4/11/2021	972	-
Total				22,325,620	50,942,967

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Annex 6: Progress On Follow Up of Auditor Recommendations
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Understated Cash and Cash Equivalent Balances-Stale cheques</p> <p>The statement financial position as at 30 June, 2020 reflect Cash and Cash Equivalents balance of Kshs.752, 889</p> <p>Disclosed in note 10 to the financial statements. The balance excludes stale cheques amounting to 286,017 which has not been reversed into the cash book as at the time of audit during the month of February, 2020. The management did not provide any explanation why the same had not been written back to the cash book as required.</p> <p>Further the management failed to carry out board of survey for the assets of the funds.</p> <p>Consequently, the accuracy of the cash and cash equivalents balance of ksh. 752,889 as at 30 June, 2020 could not be</p>	<p>The stale cheques were as a result of VAT Cheques, PAYE Cheques and Staff Gratuity cheques which have currently been paid. Al NG-CDF operates under vote 4 and as a result all the funds allocated to projects remains allocated until the expenditures are incurred. According to section 6(2) of the NG-CDF Act 2015 Amended 2016 Says Once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board. The list of assets were availed to the audit team during audit and</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	confirmed.	they were verified. Attached is bank reconciliation statement for your reference		
	other Matter			
	<p>Budgetary control and performance The summary statement of appropriation: recurrent and development combined reflect final receipts budget and actual on comparable basis of Ksh. 194,129,029 and Kshs. 124,753,305 respectively resulting to underfunding of kshs. 69,375,724 or 36% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of kshs. 194,129,029 and 124,000,416 respectively resulting to under expenditure of Kshs. 70,128,613 or 36% of the budget. Based on approved estimates, underfunding and expenditures affected the planned activities and may have impacted</p>	<p>The underspending was as a result of delay in the disbursement of funds from the NG-CDF Board to the constituency and therefore the management has no control over the under expenditure since they only spends funds which have been disbursed to the constituency</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	negatively on the service delivery to the public .			
	other Matter			
	<p>Project Implementation Status A review of the project implementation status revealed that the fund was to implement a total of fifty seven (57) projects during the year ended 30 June, 2020 with a budget of Kshs.99,319,400. Further analysis indicates that eleven (11) projects valued Kshs.20,864,388 we're ongoing; and forty five (45) projects valued Kshs.71,455.012 were completed and one (1) project valued at Kshs.7,000,000 was not yet started.</p> <p>The non-completion of projects implies that the residents of the constituency did not receive the expected benefits due to none delivery of services.</p>	<p>We want to confirm that eleven (11) projects valued Kshs.20, 864,388 we're ongoing at the time audit because the funding was received after the end of the financial year and currently the progress is okay and a number of them are at the finishing stages. We want to confirm that forty five (45) projects valued Kshs.71, 455.012 were completed and the Management is pleased with audit remark. We want to confirm that one (1) project valued at Kshs.7, 000,000 which had not yet started had been re-allocated to NYS</p>	Resolved	

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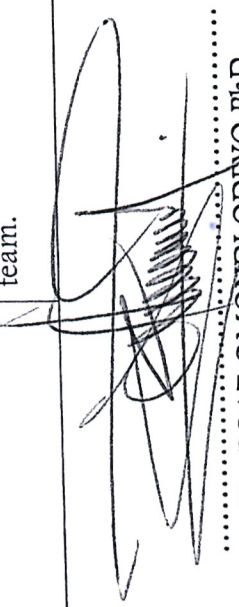
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>towards purchasing of 5 acres piece of land and building of abolition block at Ugunja KMTC other which currently have been implemented and handed over. Attached is the re-allocation code list from the NG-CDF Board for your reference and project pictures for your reference.</p>		
	<p>Report on lawfulness in use of public resources</p> <p>Irregular Procurement</p> <p>The statement of receipts and payments reflects the Transfer to other Government Entities of Kshs. 50,200,000 as disclosed in Note 6 to the financial statements. Review of the procurement documents revealed that the fund floated a tender through quotation for the construction of two laboratory at St. Antony Uluth Secondary school. Four (4) Firms Submitted their bids for</p>	<p>We want to confirm that the construction of twin laboratory at uluth secondary school was being implemented by the project management committee. And the function of NG-CDF committee was to capacity build Project Management committee. After perusal of documents in the project file we would want to</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the tender. However, during the preliminary mandatory tender Evaluation, none of the bidders was responsive since all of them did not meet the mandatory tender evaluation criteria yet the tender committee proceeded with the evaluation process and awarded the tender to one of the firms on the basis of being the lowest in financial evaluation with the variance of 5.42% between the quoted amounts and the engineers estimate. Further, the fund floated tender through request for quotation for the construction of administration police service at Umina. However only two bidders responded to the quotation and based on the scoring matrix for the technical evaluation, None of the two firms meet the required minimum points. The evaluation committee awarded the tender to one of the bidders who was also the highest evaluated bidder. Consequently, the management</p>	<p>confirm that project management committee followed the well laid down procedures in the award of tender to the M/S Sidevent Ltd. The project management committee awarded M/S Sidevent Ltd because the company was the lowest evaluated bidder and not the lowest quote as perceived by the audit team. Attached are tender opening minutes and Evaluation Minutes for your reference. For the construction of a police station at Umina we want to confirm that we had a total of 3 bidders and not 2 bidders bidding for the works which was being implemented by the project management committee And the function of NG-CDF committee was to</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	is in breach of the law	<p>capacity build Project Management committee</p> <p>After perusal of documents in the project file we would want to confirm that project management committee followed the well laid down procedures in the award of tender to the M/S Simwot Construction Company. The project management committee awarded M/S Simwot Construction Company because the company was the lowest evaluated bidder and not the highest quote as perceived by the audit team.</p>		



 Dr. BOAZ OMONDI-ODEYO PhD
 Fund Account Manager.