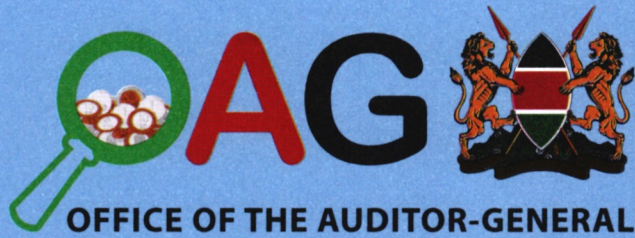


REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
DATE: 09 AUG 2023	
DAY: WED	
TABLED BY:	Hon. Owen Baya, MP Deputy Leader, majority
CLERK AT THE TABLE:	Miriam Nado

THE AUDITOR-GENERAL

ON

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

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



KABUCHAI 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)

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

Table of Contents

Page

I.	Key Constituency Information and Management	iii
II.	NG-CDFC Chairman's Report	vii
III.	Statement Of Performance Against Predetermined Objectives for FY2021/22	x
IV.	Environmental and Sustainability Reporting.....	xiii
V.	Statement of Management Responsibilities.....	xvii
VI.	Report Of the Independent Auditors On The NGCDF- Kabuchai Constituency	xix
VII.	Statement Of Receipts and Payments for the Year Ended 30th June 2022.....	1
VIII.	Statement of Assets and Liabilities As At 30 th June, 2022	2
IX.	Statement of Cash Flows for the Year Ended 30th June 2022.....	3
X.	Summary Statement of Appropriation for the Year Ended 30 th June 2022	4
XI.	Budget Execution by Sectors and Projects for the Year Ended 30 th June 2022	6
XI.	Significant Accounting Policies.....	11
XII.	Notes to the Financial Statements	17

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 Kabuchai 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)

Kabuchai 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	Joyce Wanjala
2.	Sub-County Accountant	Godfrey Simiyu
3.	Chairman NGCDFC	Charles Sirengo
4.	Member NGCDFC	Douglas Munyasia

(d) Fiduciary Oversight Arrangements

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

P.O. Box 120 - 50202
NG CDF Offices
Musese
Chwele, KENYA

(f) Kabuchai Constituency NGCDF Contacts

Telephone: (254) 722245551
E-mail: cdfkabuchai@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Kabuchai Constituency NGCDF Bankers

The Cooperative Bank (01141536140900)
Bungoma Branch
P.o Box 1964
Bungoma, Kenya.

(h) Independent Auditors

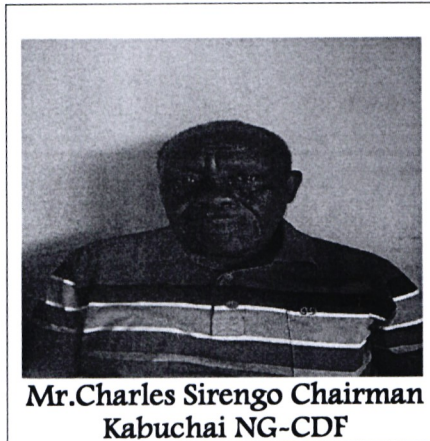
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

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

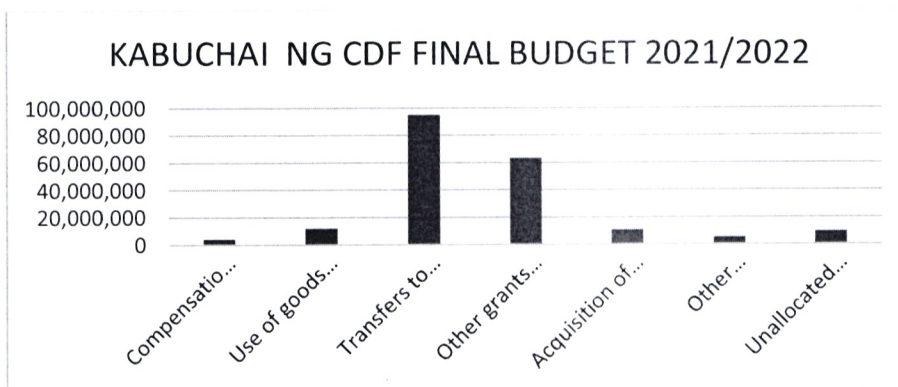
II. NG-CDFC Chairman’s Report



I feel privileged to have this opportunity of submitting our financial statement for the Financial Year 2021/2022 in line with the requirement of the NG-CDF Act 2015.

The constituency had an original budget of ksh.137, 088,879 adjustments during the year were 63,258,679 leading to a final budget of ksh.200, 347,558. The final budget is represented in the table and graph as follows;

Compensation of Employees	4,081,000
Use of goods and services	11,983,266
Transfers to Other Government Units	95,100,000
Other grants and transfers	63,512,961
Acquisition of Assets	11,000,000
Other payments	5,338,514
Unallocated fund	9,454,410
TOTAL	200,470,151

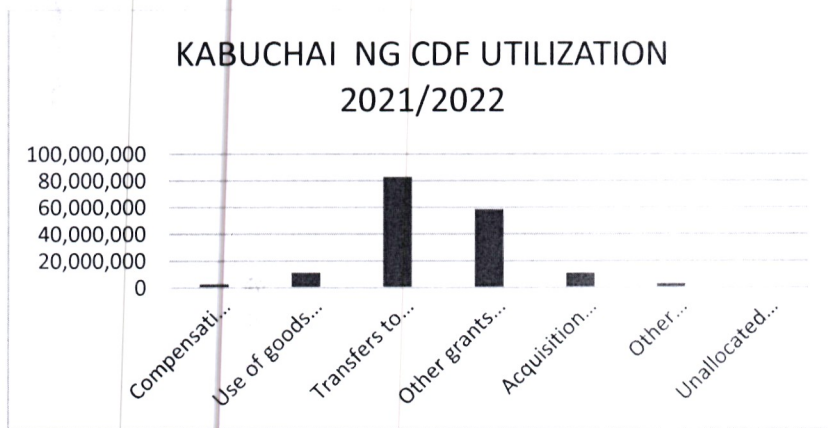


The constituency received Ksh. 170,677,758 (One hundred and seventy thousand, six hundred and seventy seven, seven hundred and fifty eight) from the Board, Ksh 122,598 (one hundred and twenty two thousand, five hundred and ninety eight) from AIA, and Ksh 14,015,983 (fourteen million, fifteen thousand, nine hundred and eighty three), leading to a total of Ksh 184,816,334 (one hundred and eighty four million, eight hundred and sixteen thousand, three hundred and thirty

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

four). The constituency was able to utilize Ksh. 169,312,516 (one hundred and sixty nine thousand, three hundred and twelve thousand, five hundred and sixteen.) as represented in the table and graph below;

Compensation of Employees	2,925,637
Use of goods and services	11,212,969
Transfers to Other Government Units	82,700,000
Other grants and transfers	58,473,910
Acquisition of Assets	11,000,000
Other payments	3,000,000
UNALLOCATED FUND	-
TOTAL	169,312,516



Over the years, the Kabuchai NG-CDF has promptly disbursed funds to the Project Management Committee's (PMC's) for implementation of various projects. We have consequently recorded tremendous progress in various sectors as follows: -

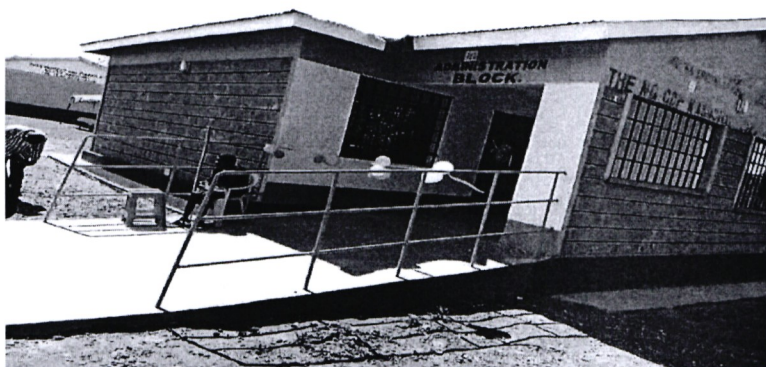
1. Many need and vulnerable children have accessed education through the bursary schemes,
2. Construction of classrooms, laboratories, dormitories, and libraries and computer rooms has enhanced provision of quality education.
3. Promotion of environmental conservation, Aids awareness, sensitization on drug and substance abuse as well as promotion of Youth Sports,
4. The funds have also been used to provide security facilities.

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

The following are some of our success stories;



BUSAKALA SECONDARY SCHOOL – CONSTRUCTION OF LIBRARY



KUYWA SPECIAL PRIMARY SCHOOL – CONSTRUCTION OF ADMINISTRATION BLOCK

However, the implementation of such projects has not gone without challenges;

1. Lack of sufficient funds as needs is limitless.
2. The problem of bit funding has slowed the period of completion of projects.
3. Lack of partners for co-funding has also been a challenge.

The entity is striving to prioritize projects and implement as stipulated in the strategic plan to ensure priority projects are funded and implemented to completion.

Finally we appreciate the role NG-CDF is playing in our development and it is my hope that it will be retained to continue serving as a vehicle for economic development of our country.

.....
**Name: CHARLES SIRENGO
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 *Kabuchai Constituency 2018-2022* plan are to:
In underscoring the above, the key development objectives of NGCDFC-Kabuchai Constituency's 2018-2023 plan included but not limited to;

a) Strategic Area One: Education

Objective: Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children.

Initiative: Enhance and develop social programmes that support education within the constituency.

b) Strategic Area Two: Water and Environment

Objective: Improve access to clean water and a more sustainable and conserved environment in Kabuchai through natural resources conservation initiatives

Initiative: Initiate and enhance conservation programs within the constituency

Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

c) Strategic Area Three: Security

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and service delivery

d) Strategic Area Four: Sports

Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports.

e) Strategic Area Five: Information Communication and Technology (ICT)

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

Objective: Enhance access to information and technology by Kabuchai residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 21/22 -we increased number of classroom by 19 - Bursary beneficiaries' secondary 8,456 students, tertiary institutions beneficiaries 1,502 student
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	In the FY 21/22 Number of assistant chiefs' offices increased by 2.
Environment	Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Enhanced conservation and restoration of forest and environment	Number of trees planted

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

Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	In the FY 21/22, Number of youth groups benefitting from the sports programme increased by 15
Emergency	Enhance the disaster management programme	Enhanced disaster management exercise	Number of fire extinguishers, and exit doors and windows	In the FY 21/22, the NG CDFC installed fire extinguishers in facilities and recommend for provision for enough exit areas in case of a tragedy.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kabuchai 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. Kabuchai 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. Kabuchai 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-

Kabuchai 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-

Kabuchai 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.

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



.....
Joyce Wanjala
FAM

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Kabuchai 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.

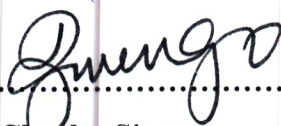
The Accounting Officer in charge of the NGCDF- Kabuchai Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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- Kabuchai 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.

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

The Accounting Officer in charge of the NGCDF Kabuchai Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kabuchai Constituency financial statements were approved and signed by the Accounting Officer on 14/06/2023.



.....
Name: Charles Sirengo

Chairman – NGCDF Committee

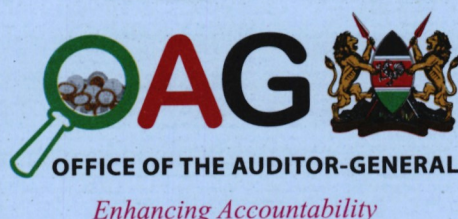


.....
Name: Joyce Wanjala

Finance Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KABUCHAI 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 Constituencies Development Fund – Kabuchai Constituency set out on pages 1 to 37, which comprise

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

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

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

Basis for Qualified Opinion

1. Inaccuracy in Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.15,503,819 as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement for the account for the month of June, 2022 reflects un-presented cheques totaling to Kshs.1,972,049, out of which, cheques totaling the Kshs.983,400 had become stale as at 30 June, 2022 and had not been reversed in the cash book. No satisfactory explanation was provided for the failure to reverse them in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.15,503,819 could not be confirmed.

2. Inaccuracy in the Summary Statement of Appropriation

The summary statement of appropriation reflects, under budget utilization difference column, total receipts of Kshs.29,669,800. However, a recasting of the item reflects a recomputed balance of Kshs.15,653,817. The variance of Kshs.14,015,983 was not explained or reconciled.

In the circumstances, the accuracy of the summary statement of appropriation 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 - Kabuchai Constituency Management in accordance with ISSAI 30 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

1. Budgetary Control and Performance

The summary statement of appropriation reflects receipts budget and actual on comparable balance of Kshs.200,470,151 and Kshs.184,816,334 respectively, resulting to under-funding of Kshs.15,653,817 or 8% of the budget. Similarly, the statement reflects actual expenditure of Kshs.169,312,516 against approved budget of Kshs.200,470,151 resulting to under-performance of Kshs.31,157,635 or 16% of the budget.

The under-funding and under-performance affected the planned activities and may have negatively affected service delivery to the public.

2. Unresolved Prior Year Matters

In the audit for the previous year, two (2) issues were reported under Report on the Financial Statements. However, Management has not resolved the issues or given reasons for the failure to resolve them.

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 matter described the Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Projects Implementation Status

The Projects Implementation Status indicates that during the year under review, the Fund planned to implement twenty-three (23) projects with a budget of Kshs.79,775,761. However, as at 30 June, 2023, eighteen (18) or 78% of the projects valued at Kshs.37,333,554 had been completed, while five (5) or 22% of projects valued at Kshs.42,442,207 were on-going.

In the circumstances, value for money was not obtained from the five projects that had not been completed.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 July, 2023

Kabuchai 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

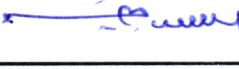
	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	170,677,758	158,547,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	122,593	178,000
TOTAL RECEIPTS		170,800,351	158,725,724
PAYMENTS			
Compensation of employees	4	2,925,637	2,839,639
Use of goods and services	5	11,212,969	10,048,097
Transfers to Other Government Units	6	82,700,000	64,988,970
Other grants and transfers	7	58,473,909	64,922,413
Acquisition of Assets	8	14,000,000	1,941,777
Other Payments	9	-	-
TOTAL PAYMENTS		169,312,515	144,740,896
SURPLUS/DEFICIT		1,487,836	13,984,828

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

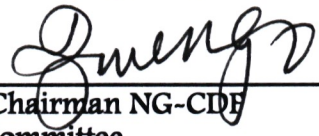
The Constituency financial statements were approved on 14/06/ 2023 and signed by:


Fund Account Manager

Name: Joyce Wanjala


National Sub-County Accountant

Name: Godfrey Simiyu
ICPAK M/No:


Chairman NG-CDF Committee

Name: Charles Sirengo

Kabuchai 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

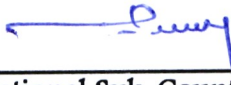
	Note		
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	15,503,819	14,015,983
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		15,503,819	14,015,983
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		15,503,819	14,015,983
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		15,503,819	14,015,983
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	14,015,983	31,155
Prior year adjustments	14	-	
Surplus/Deficit for the year		1,487,836	13,984,828
NET FINANCIAL POSITION		15,503,819	14,015,983

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 14/06/2023 and signed by:



Fund Account Manager



National Sub-County Accountant



Chairman NG-CDF Committee

Name: Joyce Wanjala

Name: Godfrey Simiyu
ICPAK M/No:

Name: Charles Sirengo

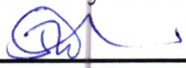
Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

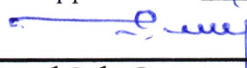
IX. Statement of Cash Flows for the Year Ended 30th June 2022

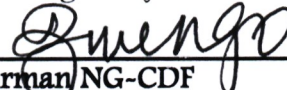
		2022-2023	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	170,677,758	158,547,724
Other Receipts	3	122,593	178,000
		170,800,351	158,725,724
Payments for operating activities			
Compensation of Employees	4	2,925,637	2,839,639
Use of goods and services	5	11,212,969	10,048,097
Transfers to Other Government Units	6	82,700,000	64,988,970
Other grants and transfers	7	58,473,909	64,922,413
Other Payments	9	-	-
		155,312,515	142,799,119
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		15,487,836	15,926,605
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(14,000,000)	(1,941,777)
Net cash flows from Investing Activities		(14,000,000)	(1,941,777)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,487,836	13,984,828
Cash and cash equivalent at BEGINNING of the year	10	14,015,983	31,155
Cash and cash equivalent at END of the year		15,503,819	14,015,983

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 14/06/2023 and signed by:


Fund Account Manager


**National Sub-County
Accountant**


**Chairman NG-CDF
Committee**

Name: Joyce Wanjala

**Name: Godfrey Simiyu
ICPAK M/No:**

Name: Charles Sirengo

**Kabuchai 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

	Original Budget	Adjustments	Final Budget	Actuals	Budget Utilization	% of Utilization
				Comparable	Difference	
				Base		
Transfers from NG-CDF Board	137,088,879	14,015,983	49,242,696	200,347,558	184,693,741	15,653,817
Proceeds from Sale of Assets				0	-	-
Other Receipts		122,593		122,593	122,593	-
TOTAL RECEIPTS	137,088,879	14,138,576	49,242,696	200,470,151	184,816,334	29,669,800
PAYMENTS						
Compensation of Employees	3,581,000	0	500,000	4,081,000	2,925,637	1,155,363
Use of goods and services	8,756,998	915,389	2,310,879	11,983,266	11,212,969	770,297
Transfers to Other Government Units	56,100,000	5,600,000	33,400,000	95,100,000	82,700,000	12,400,000
Other grants and transfers	57,650,881	5,162,080	700,000	63,512,961	58,473,910	5,039,051
Acquisition of Assets	8,000,000	0	3,000,000	11,000,000	11,000,000	-
Other payments	3,000,000	2,338,514	0	5,338,514	3,000,000	2,338,514
Unallocated fund	0	122,593	9,331,817	9,454,410	-	9,454,410
TOTAL	137,088,879	14,138,576	49,242,696	200,470,151	169,312,516	31,157,635
						84.5%

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	31,157,635
Less undisbursed funds receivable from the Board as at 30 th June 2022	(15,653,817)
	15,503,818
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	15,503,818

The Constituency financial statements were approved on 14/06/2023 and signed by:



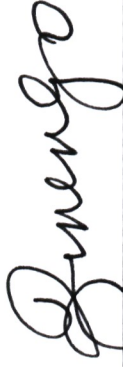
Fund Account Manager

Name: JOYCE N.W



National Sub-County Accountant

Name: GODFREY SIMWA
ICPAK M/No:



Chairman NG-CDF Committee

Name:

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

XI. Budget Execution by Sectors and Projects for the Year Ended 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	3,581,000	-	500,000	4,081,000	2,925,637	1,155,363
1.2 Committee allowances	1,440,000			1,440,000	1,440,000	-
1.3 Use of goods and services	3,204,332	264,455	1,000,000	4,468,787	5,009,369	(540,582)
Total	8,225,332	264,455	1,500,000	9,989,787	9,375,006	614,781
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000	120,600		1,620,600	1,620,600	-
2.2 Committee allowances	1,580,000	198,000	650,308	2,428,308	1,778,000	650,308
2.3 Use of goods and services	1,032,666	332,334	660,571	2,025,571	1,365,000	660,571
Total	4,112,666	650,934	1,310,879	6,074,479	4,763,600	1,310,879
3.0 Emergency						
3.1 Primary Schools	1,600,000			1,600,000	1,600,000	-
3.2 Secondary schools	5,350,000			5,350,000	5,350,000	-
3.3 Tertiary institutions				-	-	-
3.4 Security projects	150,000			150,000	150,000	-
3.5 NG CDF Office	-	362,080		362,080	184,406	177,674
3.6 Unutilised	92,207			92,207	-	92,207
Total	7,192,207	362,080	-	7,554,287	7,284,406	269,881
4.0 Bursary and Social Security						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Secondary Schools	21,835,950	-	-	21,835,950	31,254,150	(9,418,200)
4.2 Tertiary Institutions	23,139,170	-	-	23,139,170	13,751,800	9,387,370
4.3 Social Security				-		-
4.4 Special Needs				-		-
Total	44,975,120	-	-	44,975,120	45,005,950	(30,830)
5.0 Sports						
5.1 Constituency sports	2,741,777			2,741,777	2,741,777	-
Total	2,741,777			2,741,777	2,741,777	-
6.0 Environment						
6.1 Constituency environment	2,741,777			2,741,777	2,741,777	-
Total	2,741,777	-	-	2,741,777	2,741,777	-
7.0 Primary Schools Projects						
Khachonge primary school	3,250,000			3,250,000	3,250,000	-
Nalondo CBM primary school	1,000,000			1,000,000	-	1,000,000
Luuuya primary school	14,000,000			14,000,000	10,000,000	4,000,000
Chebukaka boys primary school	14,000,000			14,000,000	10,000,000	4,000,000
Mukhweya primary school	3,250,000			3,250,000	3,000,000	250,000
Mikayu primary school	2,500,000			2,500,000	2,500,000	-
Nangili primary school	250,000			250,000	250,000	-
Sikulu primary school	1,000,000			1,000,000	1,000,000	-

**Kabuchai 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			
Chepsitati primary school	1,200,000			1,200,000	1,200,000	-
Namosi primary school	1,000,000			1,000,000	1,000,000	-
Sikusi primary school	3,000,000			3,000,000	3,000,000	-
Nalondo RC primary school		600,000		600,000	600,000	-
Namikelo primary school		1,000,000		1,000,000	-	1,000,000
Namaondo primary school			2,000,000	2,000,000	2,000,000	-
Chekwanda primary school			1,000,000	1,000,000	1,000,000	-
Sawali primary school			1,300,000	1,300,000	1,300,000	-
Khatiri primary school			1,000,000	1,000,000	1,000,000	-
Walukaya primary school			1,000,000	1,000,000	1,000,000	-
Sanandiki SA primary school			1,000,000	1,000,000	1,000,000	-
Sifila primary school			600,000	600,000	600,000	-
Lubembe primary school			2,000,000	2,000,000	2,000,000	-
Matibo primary school		800,000	500,000	1,300,000	1,300,000	-
Sirwa primary school			300,000	300,000	300,000	-
Chemwa primary school			600,000	600,000	600,000	-
Misiri primary school			4,000,000	4,000,000	4,000,000	-
Total	44,450,000	2,400,000	15,300,000	62,150,000	51,900,000	10,250,000
8.0 Secondary Schools Projects						
St. Peters lurende secondary school	900,000			900,000		900,000
Teremi High school	2,000,000			2,000,000	2,000,000	-

**Kabuchai 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			
Sikusi secondary school	3,500,000			3,500,000	3,500,000	-
SA Wabukhonyi secondary school	2,000,000			2,000,000	2,000,000	-
Sikata secondary school	2,000,000			2,000,000	2,000,000	-
Kibichori secondary	1,250,000			1,250,000		1,250,000
Kabuchai girls high school			7,000,000	7,000,000	7,000,000	
Pongola secondary school			1,200,000	1,200,000	1,200,000	-
Chekulo Baptist secondary school			1,100,000	1,100,000	1,100,000	-
St. Kizito Mukhweya sec school			1,000,000	1,000,000	1,000,000	-
Chenjeni secondary school			2,700,000	2,700,000	2,700,000	-
Bwake secondary school			400,000	400,000	400,000	-
Nangwe girls sec school			1,500,000	1,500,000	1,500,000	-
Luuya girls secondary school			1,200,000	1,200,000	1,200,000	-
Makhonge secondary school			1,000,000	1,000,000	1,000,000	-
Lukhome secondary school			1,000,000	1,000,000	1,000,000	-
Chemwa secondary school		1,000,000		1,000,000	1,000,000	-
Kasosi secondary school		1,000,000		1,000,000	1,000,000	-
Mikayu secondary school		1,200,000		1,200,000	1,200,000	-
Total	11,650,000	3,200,000	18,100,000	32,950,000	30,800,000	2,150,000
9.0 Tertiary institutions Projects				-	-	-
Total				-	-	-
10.0 Security Projects				-	-	-

**Kabuchai 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			
North Bukusu Asst. Chief Office			300,000	300,000	300,000	-
Kuywa Chief's office			400,000	400,000	400,000	-
Chwele police		400,000		400,000		400,000
Kabuchai ACC		3,800,000		3,800,000		3,800,000
North Bukusu Chief Office		600,000		600,000		600,000
Total		4,800,000	700,000	5,500,000	700,000	4,800,000
11.0 Acquisition of assets				-		-
11.2 NG CDF Office	6,000,000		3,000,000	9,000,000	9,000,000	-
11.3 NG CDF Offices	2,000,000			2,000,000	2,000,000	-
Total	8,000,000		3,000,000	11,000,000	11,000,000	-
12.0 Other payments				-		-
12.1 Fire & Safety equipment	3,000,000			3,000,000	3,000,000	-
12.2 ICT HUB		2,338,514		2,338,514	-	2,338,514
Total	3,000,000	2,338,514	-	5,338,514	3,000,000	2,338,514
13.0 unallocated fund						
Unapproved projects			9,153,817	9,153,817		9,153,817
AIA		122,593	178,000	300,593		300,593
PMC savings						
Total		122,593	9,331,817	9,454,410		9,454,410
Grand total	137,088,879	14,138,576	49,242,696	200,470,151	169,312,516	31,157,635

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-Kabuchai Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020-2021
		KShs	KShs
	AIE NO. B 049280		15,000,000
Normal Allocation	AIE NO. B 104607		20,000,000
	AIE NO. B 096956		31,547,724
	AIE NO. B 124528		9,000,000
	AIE NO. B 119810		12,000,000
	AIE NO. B 128100		13,300,000
	AIE NO. B 128412		7,000,000
	AIE NO. B 132156		6,000,000
	AIE NO. B 138824		13,000,000
	AIE NO. B 126119		7,000,000
	AIE NO. B 126409		12,700,000
	AIE NO. B 130410		12,000,000
	AIE NO. B 140904	33,588,879	
	AIE NO. B 140906	44,000,000	
	AIE NO. B 105780	22,000,000	
	AIE NO. B 128650	5,000,000	
	AIE NO. B 128828	12,000,000	
	AIE NO. B 154025	15,000,000	
	AIE NO. B 164468	20,000,000	
	AIE NO. B155828	19,088,879	
TOTAL		170,677,758	158,547,724

2. Proceeds From Sale of Assets

Description	2021-2022	2020-2021
	KShs	KShs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

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

3. Other Receipts

Description	2021-2022	2020
	KSh	
Receipts Sale of Tender Documents	-	119,000
Hire of plant/equipment/facilities	121,760	59,000
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	833	-
TOTAL	122,593	178,000

Kabuchai 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)

4. Compensation of Employees

	2021 - 2021	2020 - 2021
	Shs	Shs
NG-CDFC Basic staff salaries	2,734,357	2,033,559
Personal allowances paid as part of salary		
House allowance	-	348,000
Transport allowance	-	348,000
Leave allowance	-	28,000
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	191,280	82,080
TOTAL	2,925,637	2,839,639

5. Use of Goods and Services

Utilities, supplies and services	198,510	10,330
Electricity	50,000	30,000
Water & sewerage charges	65,000	-
Office rent	-	-
Communication, supplies and services	427,000	500,000
Domestic travel and subsistence	470,200	1,200,000
Printing, advertising and information supplies & services	642,100	-
Training expenses	1,620,600	1,498,382
Hospitality supplies and services	161,878	467,127
Other committee expenses	2,831,505	456,373
Committee allowance	1,614,000	3,835,700
Specialised materials and services	953,800	170,000
Office and general supplies and services	580,340	700,000
Fuel , oil & lubricants	896,000	730,000
Other operating expenses	100,000	-
Bank service commission and charges	92,610	151,185
Routine maintenance - vehicles and other transport equipment	145,551	112,000
Routine maintenance- other assets	463,875	187,000
TOTAL	11,212,969	10,048,097

Kabuchai Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2022***Notes to the Financial Statements (Continued)***6. Transfer to Other Government Units**

Description	2021-2022	2020-2021
Transfers to Primary Schools	51,900,000	41,398,970
Transfers to Secondary Schools	30,800,000	23,590,000
Transfers to Tertiary Institutions	-	-
TOTAL	82,700,000	64,988,970

7. Other Grants and Other transfers

Description	2021-2022	2020-2021
Bursary - Secondary (see attached list)	31,254,150	22,220,000
Bursary -Tertiary (see attached list)	13,751,800	25,573,650
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	700,000	3,760,000
Sports Projects (see attached list)	2,741,777	4,079,640
Environment Projects (see attached list)	2,741,776	2,789,123
Emergency Projects (see attached list)	7,284,406	6,500,000
TOTAL	58,473,909	64,922,413

8. Acquisition of Assets

Description	2021-2022	2020-2021
Purchase of Buildings	-	-
Construction of Buildings	11,000,000	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	1,941,777
Purchase of Specialized Plant, Equipment and Machinery	3,000,000	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
TOTAL	14,000,000	1,941,777

Notes to the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	30/06/2022	30/06/2021
A/C NO. '1141536140900	15,503,819	14,015,983
Total	15,503,819	14,015,983
10 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total		

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer				
Name of Officer				
Name of Officer				
Name of Officer				
Name of Officer				
Name of Officer				
Total				

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

Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 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	14,015,983	31,155
Cash in hand		
Imprest		
Total	14,015,983	31,155

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)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		
Changes in Account Receivables E= D-A		

16. Changes in Accounts Payable – Deposits and Retentions

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

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

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	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	352,535	105,670
Others (<i>specify</i>)		
Total	352,535	105,670

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,155,363	741,947
Use of goods and services	770,297	(605,540)
Amounts due to other Government entities (see attached list)	12,400,000	33,400,000
Amounts due to other grants and other transfers (see attached list)	5,039,051	17,390,455
Acquisition of assets		3,000,000
Funds pending approval	2,338,514	-
	9,454,410	9,331,817
Total	31,157,635	63,258,679

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

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	4,899,728	3,164,846
Total	4,899,728	3,164,846

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

**Annexes
Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
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					

**Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 2 - Analysis of Pending Staff Payables**

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2022	Comments
NG-CDFC Staff				
1. BRIGID KATASI	Accounts assistant	01-12-19	81,507	Cumulative gratuity
2. CARO MAKAILI	Records officer	01-12-19	66,056	Cumulative gratuity
3. MARTHA BULUMA	Clerical officer	01-12-19	66,056	Cumulative gratuity
4. MOSES MASINDE	Driver	01-12-19	48,210	Cumulative gratuity
5. AMOS WANYONYI	Security officer	01-12-19	34,503	Cumulative gratuity
6. MERCY WANYAMA	Support staff	01-12-19	34,503	Cumulative gratuity
7. SAMUEL WANYAMA	Security	01-12-19	21,700	Cumulative gratuity
Sub-Total			352,535	
Grand Total			352,535	

**Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Being payment for gatuity	1,155,363	741,947	
Use of goods & services	Fuel, subsistence, office maintenance	770,297	(605,540)	
Amounts due to other Government entities				
Nalondo CBM primary school	Purchase of an acre land	1,000,000		
Luuya primary school	Construction of a storey building	4,000,000		
Chebukaka boys primary	Construction of a storey building	4,000,000		
Mukhweya primary school	Renovation of classrooms	250,000		
Namikelo primary school	construction of one classrooms	1,000,000		
St. peters lurende secondary school	Purchase of an acre land	900,000		
Kibichori secondary school	Construction of one classroom	1,250,000		
Chekwanada primary school	Construction of one classroom		1,000,000	
Sirwa primary school	Purchase of land		300,000	
Lubembe Primary School	purchase of one acre land and construction of one classroom		2,000,000	
Sanandiki SA Primary School	construction of one classroom		1,000,000	
Walukaya Primary School	construction of one classroom		1,000,000	
Namikelo Primary School	construction of one classroom		1,000,000	
Nangubo Primary School	construction of one classroom		1,000,000	
Khatiri Primary School	construction of one classroom		1,000,000	
Nalondo RC Primary School	renovation of four classrooms		600,000	
Chemwa RC Primary School	renovation of four classrooms		600,000	
Sitila Primary School	renovation of four classrooms		600,000	
Sawali Primary School	construction of one classroom and completion one classroom		1,300,000	
Kabuchai Primary School	renovation of four classrooms		600,000	

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

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Namaondo CBM Primary School	construction of two classrooms		2,000,000	
Matibo FYM Primary School	purchase of one acre land		1,300,000	
Bwake Secondary School	School bus repayment		400,000	
Chekulo Baptist Secondary School	completion of five classrooms		1,100,000	
Mikayu Secondary School	completion of ICT lab		1,200,000	
Chekulo Friends Secondary School	purchase of one acre and completion of administration block		800,000	
Lukhome Secondary School	construction of three classrooms		1,000,000	
Chenjani Secondary School	purchase of one acre land and construction of administration block		2,700,000	
Chebunyinyi ACK Secondary School	completion of twin laboratory		3,000,000	
Luuuya Girls Secondary School	construction of one classroom		1,200,000	
Makhonge Secondary School	purchase of one acre land		1,000,000	
St Kizito Mukhweya Secondary School	construction of dormitory		1,000,000	
Nangwe Girls Secondary School	construction of one classroom		1,500,000	
Kasosi Secondary School	purchase of one acre land		1,000,000	
Pongola Secondary School	construction of one classroom		1,200,000	
Chemwa Secondary School	purchase of bus		1,000,000	
KMTC Sichei			7,198,241	
	Sub-Total	12,400,000	40,598,241	
Amounts due to other grants and other transfers				
Chwele police	Completion of police post	400,000	4,400,000	
Kabuchai ACC	Construction of ACC office	3,800,000	3,800,000	
North Bukusu chief office	Construction of chief office	600,000	600,000	
Kuywa chief office	Construction of chief office		400,000	
North Bukusu assistant chief office	Construction of asst chief office		300,000	

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

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Emergency	Cater for the unforeseen	269,881	692,214	
Bursary	Pay fees for needy students	(30,830)		
Sub-Total		5,039,051	10,192,214	
Acquisition of assets				
Purchase of furniture and equipment	Construction of perimeter wall		3,000,000	
Others (specify)				
ICT HUB	Installation of ICT Hub	2,338,514		
Sub-Total		2,338,514		
Funds pending approval	Conditional approval and aia	9,454,410	9,331,817	
Grand Total		31,157,635	63,258,679	

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

Annex 4 – Summary of Fixed Asset Register

Land	800,000			800,000
Buildings and structures	12,500,000	11,000,000		23,500,000
Transport equipment	6,158,843			6,158,843
Office equipment, furniture and fittings	2,762,000	3,000,000		5,762,000
ICT Equipment, Software and Other ICT Assets	758,000			758,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	22,978,843	14,000,000	-	36,978,843

**Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 5 –PMC Bank Balances As At 30th June 2022**

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
1	COOPERATIVE	01141049275900	24-08-19	6,038	5,998
2	COOPERATIVE	01141668569300	05-10-17	2,437	6,157
3	COOPERATIVE	01141535778500	11-04-14	4,159	3,159
4	COOPERATIVE	01141049312701	18-08-14	1,355	0.0
5	COOPERATIVE	01141290108500	04-11-15	706	666
6	COOPERATIVE	01141668503200	18-08-15	2,971	581
7	COOPERATIVE	01141049266300	17-09-14	1,940	97,539
8	COOPERATIVE	01141669899400	20-05-18	206,025	119,985
9	COOPERATIVE	01141049284700	26-11-13	101,626	1,626
10	COOPERATIVE	01141668243800	05-07-14	1,693	1,773
11	COOPERATIVE	01141427050000	12-07-16	18,950	9910
12	COOPERATIVE	01141669786400	21-05-18	681,925	1,014,885
13	COOPERATIVE	01141049901300	30-05-15	219	1179
14	COOPERATIVE	01141050136700	23-05-15	75,717	3,903
15	COOPERATIVE	01141049852400	07-08-15	3,440	4,400
16	COOPERATIVE	01139049921800	09-11-15	0	0
17	COOPERATIVE	01141668677500	16-08-17	106,426	2,526
18	COOPERATIVE	01141050855500	23-05-18	1,571	2,527

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

	PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
19	MIKAYU PRIMARY SCHOOL	COOPERATIVE	01141049900800	09-10-19	6,620	4,100
20	NANGILI PRIMARY SCHOOL	COOPERATIVE	01141011504400	15-07-14	10,519	1,999
21	SIKULU PRIMARY SCHOOL	COOPERATIVE	01141050275900	17-07-18	233	233
22	NAMOSI PRIMARY SCHOOL	COOPERATIVE	01141049843500	05-10-16	1,008,472	8,472
23	PONGOLA SECONDARY SCH	COOPERATIVE	01141669759600	15-10-17	2,525	3,485
24	CHEKULO BAPTIST SEC SCH	COOPERATIVE	01141536393800	06-09-17	70	150
25	ST.KIZITO MUKHWEYA SEC SC	COOPERATIVE	01141669455800	17-11-18	249,840	174,970
26	CHENJENI SECONDARY SCH	COOPERATIVE	01141426491600	11-05-14	36,552	1,552
27	NANGWE GIRLS SEC SCHOOL	COOPERATIVE	01141049433500	19-04-15	49,386	49,925
28	LUUYA G. SECONDARY SCH	COOPERATIVE	01141049330100	03-10-14	58,673	13,793
29	MAKHONGE SECONDARY SCH	COOPERATIVE	01139011512700	17-03-17	56,233	38,733
30	LUKHOME SECONDARY SCH	COOPERATIVE	01141049933900	12-09-15	858	1317
31	CHEMWA SECONDARY SCH	COOPERATIVE	01141049901300	08-11-17	219	1179
32	KASOSI SECONDARY SCH	COOPERATIVE	01141669759600	20-03-16	2,525	3,485
33	TEREMI HIGH SCHOOL	COOPERATIVE	01139050298002	04-06-18	4,455	995,120
34	SIKUSI SECONDARY SCHOOL	COOPERATIVE	01141049933100	17-02-19	63,683	4163
35	SA WABUKHONYI SEC SCH	COOPERATIVE	01141425979200	18-09-16	50,543	1503
36	SIKATA SECONDARY SCHOOL	COOPERATIVE	01141011518300	15-07-18	2,012,431	12,911
37	BUSAKALA SECONDARY SCH	COOPERATIVE	01141049329600	07-12-14	2,405	537,965

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

PMC	Bank	Account number	Date A/C opened	Bank Balance 2021/22	Bank Balance 2020/21
38	COOPERATIVE	01141669294400	18-07-17	18,615	1,464
39	COOPERATIVE	01141535874000	03-05-15	743	9,743
40	COOPERATIVE	01141049933700	09-11-15	7,355	3,315
41	COOPERATIVE	01141669605400	11-09-15	2,025	11,036
42	COOPERATIVE	01141668565600	13-12-13	23,449	472
43	COOPERATIVE	01141668506200	14-12-13	5,113	472
44	COOPERATIVE	01141782467800	07-10-18	6,871	5,650
45	COOPERATIVE	01141687925400	11-06-19	830	825
46	COOPERATIVE		18-11-21	1,287	0.0
	TOTAL			4,899,728	3,164,846

**Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Annex 6: Progress On Follow Up of Auditor Recommendations**

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

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)
1.	Budget Control and Performance: the budget adjustment figure of Kshs 70,701,541 which is included in final budget figure of Kshs 207,999,575 was not supported with document Projects Implementation Performance: The CDF was to implement a total of 66 projects/programmes through different PMCs during the financial year under review. Further analysis indicated that 8 or 12% of projects had not started, 2 or 3% of the projects were on going and 56 or 84.8% of the projects had been completed as at the time of audit in April 2022.	The adjustment figure of Ksh. 70,701,541 includes funds meant for the previous financial year that was utilized in the financial year under review. The details of expenditure are available for audit review. The management acknowledges your observation. The failure to start or complete all the approved projects is due to the delays by the NG CDF Board to disburse funds to the constituency on time. However, the projects were since financed and implemented after the funds were disbursed and utilized in the financial year 2021/2022 accordingly. The AIEs and allocation details are available for audit verification.	Forwarded to the OAG	December 2022
2.	Other Grants and Transfers Kshs: 64,922,413: During financial year under review, the management of Kabuchai NG-CDF transferred Kshs. 500,000 vide payment	The management acknowledges your audit observations. The project was fully by the PMC and not the NG CDFC as indicated. Funds were disbursed to the PMC account via voucher no. 279 and cheque no. 9403. The project design by the public works for the construction of 3 no. door pit	Forwarded to the OAG	December 2022

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	voucher number 279, dated 25 May 2021 towards construction of 4no. Pit latrines. Poor workmanship and failure to comply with the Public Procurement and Assets Disposal Act, 2015 may lead to the beneficiaries not getting value for money.	latrines and not 4 as indicated. All procurement details and project documents are available for audit verification.		
4.	Unsupported Payment Vouchers: The following payments were not supported by the required documents. DCC Ksh 500,000, Assistant county commissioner Nalondo Ksh. 500,000. The propriety of the above expenditures for the year ended 30 June 2020 could not be confirmed	The management acknowledges your audit observations. The documentary evidence for the Deputy county commissioner project of renovation works is available for audit review. The residential house for the Assistant County Commissioner Nalondo is complete and was handed over for use. The current officer in charge operates from own residence and only uses the house when there is need. It is prudent to note that officers in that office are transferrable and the one who fully utilized the house was since transferred.	Forwarded to the OAG	December 2022
5.	Transfers to other Government Entities: Included in the transfers to other government unit under 6 are transfer to primary schools of ksh 45,477,027 and transfer to secondary school of Ksh 76,530,000. A number of schools received fund from Kabuchai Ng cdf for the purchase of land.	The management acknowledges your audit observation. The lands acquired are under succession. The ownership documents will be availed for audit verification immediately they are acquired.	Forwarded to the OAG	December 2022

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Furthermore, the ownership of the acres of land could not be ascertained since title deed was not provided and also pmc did not provide the procurement records i.e professional opinion, notification of ward, the inspection report was not availed			

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 Name
 Fund Account Manager.