

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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REPORT

THE NATIONAL ASSEMBLY

OF

DATE: 02 AUG 2023

DAY
WED

THE AUDITOR-GENERAL

TABLED
BY:

Hon. Naam. Wago mp
Deputy Majority Whip
Funlayo Misaki

CLERK AT
THE TABLE:

ON

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

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

19 JUN 2023

RECEIVED

RANGWE CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

AMENDED 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)

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

2022.06.30

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Charles Omosa
2.	Sub-County Accountant	Michael Gudah
3.	Chairman NGCDFC	Charles Awii
4.	Member NGCDFC	Carolyne Atieno

(d) Fiduciary Oversight Arrangements

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

P.O. Box 63 - 40303
Rangwe NG-CDF Hall Building
Orero Secondary School – Rangwe Market Road
Rangwe, KENYA

(f) Rangwe Constituency NGCDF Contacts

Telephone: (254) 729 495 375
E-mail: cdfrangwe@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Rangwe Constituency NGCDF Bankers

Equity Bank (K) Limited
Homa Bay Branch
P.O. Box 75014
Homa Bay, KENYA

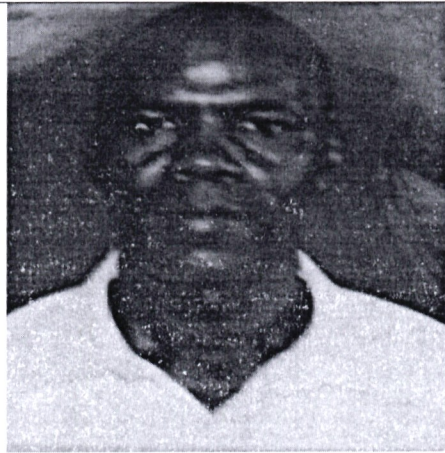
(h) Independent Auditors

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

(i) Principal Legal Adviser

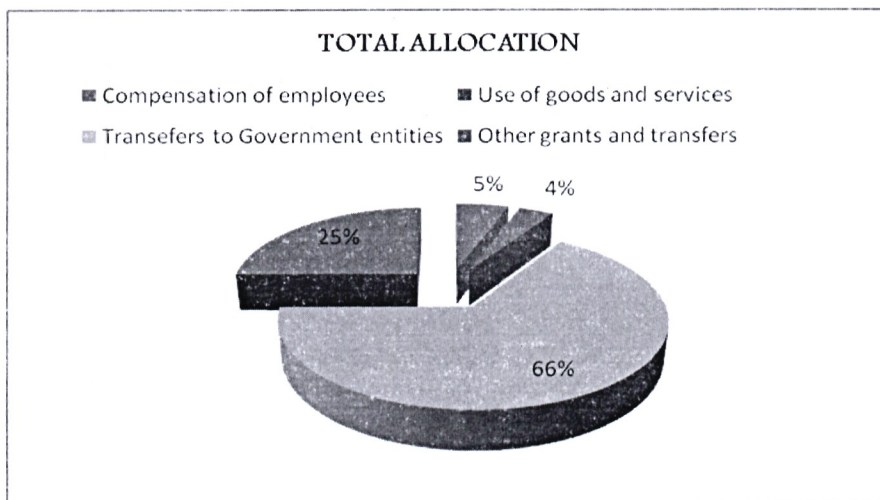
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman’s Report



**Charles Otieno Awii
Chairman, Rangwe NG - CDF**

We are grateful for the financial year that was. The Rangwe NG-CDF had a proposed budget of Kes. 137,088,879. Which is similar to the previous financial year (2020/2021) budget. The Board had for the first time in my tenure disbursed full amount representing 100% of the budgeted amount for the financial year! I sincerely from the bottom of my heart commend the Board for the positive gesture and urge them to continue so. The total allocation (Kshs. 137,088,879) was expected to fund National Government projects, i.e Administration and recurrent (8,225,332), Monitoring and Evaluation (4,112,666), Education (secondary schools; 39,500,000, Primary Schools; 51,000,000), Bursaries (20,816,895), Sports (2,741,777) and Security (3,500,000) expressed by percentages and classified under compensation of employees, use of goods and services, transfer to other government entities and other grants and transfers as below:



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The fund also received an addition of Kshs. 63,088,879 being un-disbursed amounts from the Board for the previous financial year.

During the financial year, the Rangwe NG-CDF managed to implement 4 security project to completion with a mega one (Rangwe Sub - County Headquarters) still on-going. The management expected to complete within the just ended financial year but couldn't manage due to Covid – 19 pandemic besides other structural adjustments that were made. The management has as well completed 42 primary school projects and handed over the same! Of the 42 projects, 26 were for the ended financial year while the rest were from the previous financial years. We have, as well, managed 15 secondary schools projects out of which 7 were for the just ended financial year including purchase of 33 seater school buses, 3 modern dormitories of which one is storey building and fencing. The management couldn't disburse bursaries in time before closure of financial year due to logistic difficulties that were experienced. The same is expected to be accomplished early next financial year.



Nyajanja and Nyandiwas Mixed Secondary Schools buses (2 of the 14 schools buses purchased for various secondary schools within 3 years)



God Bondo Secondary School Administration block



Alara Korayo Primary School Administration block

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Emerging issues as political, social, economic, legal and global challenges influence implementation of NG-CDF projects. Other issues include late re-allocations approval and late approval of projects. As at 30th June, 2022, the Board had not disbursed whole amount and that's a big plus.

Major challenge has been slow and piece meal disbursement of funds by the NGCDF Board thus delayed implementation of projects. The constituency's topography and adverse weather conditions have also had impact on projects costs. The committee seeks Boards positive engagement with the Board on the matter to alleviate the challenges.

The committee was also faced with the challenge of upholding the Government's Covid 19 protocols and at the same time ensuring the NGCDF Act is followed strictly while implementing their mandate. It was a challenge holding committee meetings as scheduled to deliberate on NGCDF issues. It's the Rangwe NGCDFC prayer that the challenges caused by Covid 19 are never experienced again.

I thank the people who worked tirelessly to ensure that the committee executes its mandate during the year and urge them to continue dedicating their energies towards meeting development expectations of the people of Rangwe.

God bless Rangwe!



.....
**CHARLES OTIENO AWII,
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 *Rangwe Constituency 2018-2022* plan are to:

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

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

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

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	<ul style="list-style-type: none">○ Increase enrolment○ Reduce dropout rate○ Improve performance○ Ensure 100% transition	Improve existing infrastructure and develop new ones to enhance conducive learning environment for learners	<ul style="list-style-type: none">- number of usable physical infrastructure build in primary, secondary, and tertiary institutions- number of bursary beneficiaries at	In FY 2021/2022 <ul style="list-style-type: none">○ 20 new classrooms constructed to completion out of 20 budgeted for○ 6 administration blocks constructed to completion out

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			all levels	<ul style="list-style-type: none"> ○ of 6 budgeted for ○ 1 dormitory constructed to completion out of 3 budgeted for. Other 2 are on – going. ○ 3000 Bursary beneficiaries at all levels have been identified to benefit though couldn't be awarded within the financial year
Security	Equip and facilitate AP's, Chiefs, ACC's and other security agencies in the Constituency	Improve and develop infrastructure to enhance security and service delivery	Number of physical infrastructure developed and improved within the Constituency	<ul style="list-style-type: none"> ○ 1 police post construction to completion ○ Construction of a storey building Rangwe Sub-County Headquarters on going
Environment	Conservation of environment through conservation of natural resources, improved access to water and sanitation	<ul style="list-style-type: none"> ○ Facilitate schools and other public institutions with water and improved / developed sanitation ○ Tree planting to increase forest cover in public institutions 	<ul style="list-style-type: none"> ○ Number of water tanks distributed and installed in public institutions ○ Number of sanitation facilities constructed in public institutions ○ Number of trees planted 	<ul style="list-style-type: none"> ○ Not started, funds reallocated to other projects
Sports	Empower youth and special groups to develop through sports	Reduced social evils among the youth and special groups	Number of youth groups benefitting through sports programmes	10 new youth groups identified and empowered

IV. Environmental and Sustainability Reporting

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

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

Rangwe 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-

Rangwe 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.

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



.....
Charles Omosa,
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-Rangwe 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.

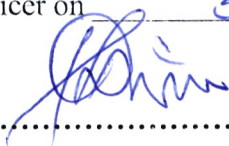
The Accounting Officer in charge of the NGCDF-Rangwe Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards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

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The Accounting Officer in charge of the NGCDF Rangwe 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- Rangwe Constituency financial statements were approved and signed by the Accounting Officer on 30/Sept/ 2022.



.....
Charles Awii:
Chairman – NGCDF Committee



.....
Charles Omosa:
Finance Account Manager

REPUBLIC OF KENYA



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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - RANGWE 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 – Rangwe Constituency set out on pages 1 to 43, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article

229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter 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 –Rangwe Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Misstatement in Transfers from the National Government Constituencies Development Fund (NGCDF) Board

The statement of receipts and payments reflects transfers from NGCDF Board of Kshs.200,177,758 as disclosed in Note 1 to the financial statements. However, the balance includes an authority to incur expenditure (AIE) referenced AIENO.B 140712 with an amount of Kshs.12,000,000 which was received on 16 June, 2021 before the financial year under review began. This is in contravention of Section 1.2.1 of the International Public Sector Accounting Standard Board (IPSASB) final pronouncement of November, 2017 that requires financial reporting under the cash basis of accounting to recognize transactions and other events only when cash is received or paid.

In the circumstances, the accuracy and completeness of transfers from the NGCDF Board of Kshs.200,177,758 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund –Rangwe Constituency Management in accordance with ISSAI 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 matter to report in the year under review.

Other Matter

Emphasis of Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects total actual expenditure of Kshs.181,874,082 against an approved budget of Kshs.203,268,845 resulting to an under-expenditure of Kshs.21,394,763 or 10% of the budget.

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

2. Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed in the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

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 sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Poor Workmanship in Project Implementation

The statement of receipts and payments reflects transfers to other government units of Kshs.131,147,034 which includes transfers to secondary schools of Kshs.56,147,034 as disclosed in Note 6 to the financial statements.

The following anomalies were observed in the projects implementation.

1.1 Construction of Modern Dormitory at Asumbi Girls High School

Included in the balance of Kshs.56,147,034 is an amount of Kshs.10,000,000 disbursed to Asumbi Girls School towards construction of a one storey modern dormitory with cubicles to accommodate 120 students on each floor, 5 door - bathrooms and 5 door - toilets on each floor with one chamber catering for persons living with disability on each floor and access ramp to the first floor.

However, an audit inspection of the project carried out at the time of audit in the month of March, 2023, revealed that the project was ongoing with the following anomalies:

- i. Gauge thirty (30) iron sheets were used instead of gauge twenty-eight (28) as specified in the bills of quantities.
- ii. Rainwater goods were costed at Kshs.93,200 in the bill of quantities were not yet installed.
- iii. Only twenty-two (22) instead of the required thirty-two (32) 1800x1500mm high windows were fixed at a cost of Kshs.210,600.

- iv. Glazing of window glasses to metal costed at Kshs.135,800 in the bill of quantities were not yet done.
- v. Ceiling finishes costed at Kshs.678,800 in the bills of quantities were not yet done
- vi. Staircase & ramp finishes of Ksh,72,600, finishes (ceiling painting) of Kshs.679,700 and fitting and fixtures not done of Kshs.181,300 were not done.

In the circumstances, value for money may not have been achieved on the transfers to secondary schools expenditure of Kshs.10,000,000.

1.2 Construction of Modern Dormitory at Orero Boys High School

Further, included in the transfers to secondary schools balance is an amount of Kshs.5,000,000 disbursed to Orero Boys High School towards construction of a one storey modern dormitory with cubicles to accommodate 120 students on each floor, 5-door bathrooms and 5 door - toilets in each floor with one chamber catering for persons living with disability and an access ramp to the first floor.

An audit inspection of the project carried out at the time of audit in the month of March, 2023 revealed that the project was already in use. However, it was observed that gauge thirty (30) iron sheets were used instead of gauge twenty-eight (28) as specified in the bills of quantities and rainwater goods costed at Kshs.65,350 in the bill of quantities had not been installed. Further, the glazing of window glasses to metal costed at Kshs.72,000 in the bill of quantities were not yet done while ceiling finishes costed at Kshs.233,000 in the bills of quantities had not been done. In addition, mechanical services costed at Kshs.150,000 in the bill of quantities were not done.

In the circumstances, value for money on the transfers to secondary schools expenditure of Kshs.5,000,000 may not have been achieved .

1.3 Construction of Modern Dormitory at St. Josephine Bakhita Girls High School

In addition, included in the balance of Kshs.56,147,034 is an amount Kshs.5,000,000 disbursed to St. Josephine Bakhita Girls High School towards construction of a one storey modern dormitory with cubicles to accommodate 120 students on each floor, 5-door bathrooms and 5-door toilets in each floor with one chamber catering for persons living with disability and access ramp to the first floor.

An audit inspection carried out on the project at the time of audit in the month of March, 2023, revealed that the project was already in use. However, it was observed that gauge thirty (30) iron sheets were used instead of gauge twenty-eight (28) as specified in the bills of quantities. Further, rainwater goods which were costed at Kshs.65,350 in the bill of quantities had not been installed while the ceiling together with painting works valued at Kshs.375,500 were not yet done. In addition, mechanical services costed at Kshs.100,000 in the bill of quantities had not been done while the dormitory cubicles were excluded during the construction.

In the circumstances, value for money on the transfers to secondary schools expenditure of Kshs.5,000,000 may not have been achieved.

2. Delayed Implementation of Projects

The statement of receipts and payments reflects transfers to other government units amount of Kshs.131,147,034, as disclosed in Note 6 to the financial statements, which includes transfers to secondary schools balance of Kshs.56,147,034.

The amount of Kshs.56,147,034 further includes a balance of Kshs.6,500,000 which was transferred to two primary schools and a Police post for various construction and renovation projects as detailed in the table below: -

Approved activity	Amount Allocated	Remarks
Construction of classrooms at Ayuyu Primary School	2,000,000	Funds disbursed to PMC account
Renovation of classrooms at Gul Kagembe Primary School	1,000,000	Awaiting funds disbursement from the Board
Construction of Police Post with 4 offices, male and female Cells to completion at Ngegu Police Post	3,500,000	Roofing works on going
	6,500,000	

However, an audit inspection carried out at the time of audit in the month of March, 2023 revealed that the projects were not implemented despite the monies having been disbursed to the respective project management committee accounts.

In the circumstances, the residents of Rangwe were denied the benefits accruing from the environmental projects valued at Kshs.6,500,000, which were not implemented during the year ended 30 June, 2022.

3. Bursary Allocation below the Legal Threshold

Review of the budget execution by sectors and projects revealed that an amount of Kshs.20,816,895 (or 15%) of the total approved budget of Kshs.137,088,879 was allocated towards bursary and social security programmes during the year ended 30 June, 2022 as opposed to the set threshold of 25%. This is contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 provides that a Constituency Committee shall allocate not less than twenty-five percent of the funds allocated to a constituency for bursaries.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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


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

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

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

17 July, 2023

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

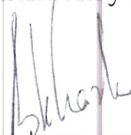
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	200,177,758	152,767,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		200,177,758	152,767,724
Payments			
Compensation Of Employees	4	6,788,057	7,773,448
Use Of Goods and Services	5	12,333,539	8,229,816
Transfers To Other Government Units	6	131,147,034	75,326,243
Other Grants and Transfers	7	31,605,452	92,286,524
Acquisition Of Assets	8	-	6,244,000
Other Payments	9	-	-
Total Payments		181,874,082	189,860,031
Surplus/(Deficit)		18,303,676	(37,092,307)

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

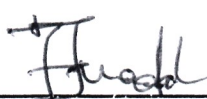
The Constituency financial statements were approved on 30/sep/ 2022 and signed

by:



Fund Account Manager

Name: Charles Omosa



National Sub-County Accountant

Name: Michael Gudah
ICPAK M/No: 20477



Chairman NG-CDF Committee

Name: Charles Awii

Rangwe Constituency

National Government Constituencies Development Fund (NGCDF)

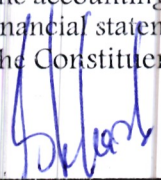
Annual Report and Financial Statements for The Year Ended June 30, 2022

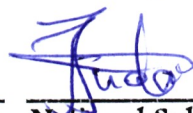
VIII. Statement of Assets and Liabilities As At 30th June, 2022

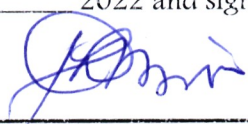
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	21,394,763	1,194,287
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		21,394,763	1,194,287
Accounts Receivable			
Outstanding Imprests	11	-	1,896,800
Total Financial Assets		21,394,763	3,091,087
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		=	=
Net Financial Assets		21,394,763	3,091,087
Represented By			
Fund Balance B/Fwd	13	3,091,087	39,919,294
Prior Year Adjustments	14	-	264,100
Surplus/Deficit for The Year		18,303,676	(37,092,307)
Net Financial Position		21,394,763	3,091,087

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

The Constituency financial statements were approved on 30/sep 2022 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Charles Omosa

Name: Michael Gudah
ICPAK M/No: 20477

Name: Charles Awii


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

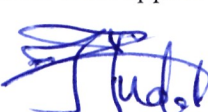
IX. Statement of Cash Flows for the Year Ended 30th June 2022


	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	200,177,758	152,767,724
Total Receipts		200,177,758	152,767,724
Payments			
Compensation Of Employees	4	6,788,057	7,773,448
Use Of Goods and Services	5	12,333,539	8,229,816
Transfers To Other Government Units	6	131,147,034	75,326,243
Other Grants and Transfers	7	31,605,452	92,286,524
Other Payments	9	-	-
Total Payments		181,874,082	183,616,031
Total Receipts Less Total Payments			
Adjusted For:			
Increase/(Decrease) In Accounts Payable	15	1,896,800	(1,896,800)
Prior Year Adjustments		-	264,100
		1,896,800	(1,632,700)
Net Cash Flow from Operating Activities		20,200,476	(32,481,007)
Cash flow From Investing Activities			
Acquisition Of Assets	8	-	(6,244,000)
Net Cash Flows from Investing Activities		-	(6,244,000)
Net Increase In Cash And Cash Equivalent		20,200,476	(38,725,007)
Cash & Cash Equivalent At Start Of The Year	10	1,194,287	39,919,294
Cash & Cash Equivalent At End Of The Year		21,394,763	1,194,287

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

The Constituency financial statements were approved on 30/sep/ 2022 and signed by:


Fund Account Manager


**National Sub-County
Accountant**


**Chairman NG-CDF
Committee**

Name: Charles Omosa

Name: Michael Gudah
ICPAK M/No: 20477

Name: Charles Awii

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

*Rangwe 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=f+h	Actual on comparable basis d	Budget utilization difference e=d-c	% of Utilization f/d/c %
	a	2021/2022	b	Previous Years' Outstanding disbursements				
Receipts								
Transfers From NGCDF Board	Kshs	137,088,879	Opening Balance (C/Bk) and AIA Kshs	63,088,879	203,268,845	203,268,845	(0)	225.5%
Proceeds From Sale of Assets								0.0%
Other Receipts								
Totals		137,088,879	3,091,087	63,088,879	203,268,845	203,268,845	(0)	100.0%
Payments								
Compensation Of Employees		7,430,808		195,822	7,626,630	6,788,057	838,573	89.0%
Use Of Goods and Services		4,907,191	3,091,087	1,353,778	9,352,056	12,333,539	(2,981,483)	131.9%
Transfers To Other Gov't Units		90,500,000		42,457,277	132,957,277	131,147,034	1,810,243	98.6%
Other Grants and Transfers		34,250,880		19,026,002	53,276,882	31,605,452	21,671,430	59.3%
Acquisition Of Assets		-		56,000	56,000	-	56,000	0.0%
Other Payments		-		-	-	-	-	-
Funds Pending Approval**		-		-	-	-	-	-
Totals		137,088,879	3,091,087	63,088,879	203,268,845	181,874,082	21,594,763	89.5%

**Rangwe 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	19,497,963
Less undisbursed funds receivable from the Board as at 30 th June 2022	(0)
Add Accounts payable	19,497,963
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	21,394,763

The Constituency financial statements were approved on 30/sep 2022 2022 and signed by:



Fund Account Manager

Name: Charles Omosa



**Name: Michael Guudah
ICPAK M/No: 20477**



National Sub-County Accountant

Name: Charles Awii

Chairman NG-CDF Committee

Rangwe 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(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
	Kshs	Opening Balance (C/BK) and ALA Kshs	Previous years Outstanding Disbursements Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	7,430,808	-	195,822	7,626,630	6,788,057	838,573
1.2 Committee allowances	400,000	454,000	299,416	1,153,416	2,355,210	(1,201,794)
1.3 Use of goods and services	394,525	785,390	258,230	1,438,145	2,673,903	(1,235,758)
Total	8,225,333	1,239,390	753,468	10,218,191	11,817,170	(1,598,980)
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000	596,700	324,000	2,420,700	2,358,925	61,775
2.2 Committee allowances	1,500,000	800,000	248,325	2,548,325	2,590,689	(42,364)
2.3 Use of goods and services	1,112,666	454,997	223,807	1,791,470	2,354,812	(563,342)
Total	4,112,666	1,851,697	796,132	6,760,495	7,304,426	(543,931)
3.0 Emergency						
3.1 Primary Schools	1,000,000		67,174	1,067,174	1,000,000	67,174
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	6,000,000	-	-	6,000,000	6,000,000	-
3.5 Unutilised	192,207	-	-	192,207	-	192,207

**Rangwe Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
	2021/2022	Kshs	Opening Balance (C/BK) and AIA	Kshs			
Total	7,192,207		-	67,174	7,259,381	7,000,000	259,381
4.0 Bursary and Social Security							
4.1 Secondary Schools	14,000,000		-	4,517,262	18,517,262	9,522,000	8,995,262
4.2 Tertiary Institutions	6,000,000		-	6,769,796	12,769,796	1,497,000	11,272,796
4.3 Social Security	-		-	-	-	-	-
4.4 Special Needs	816,895		-	327,095	1,143,990	-	1,143,990
Total	20,816,895		-	11,614,153	32,431,048	11,019,000	21,412,048
5.0 Sports	2,741,778		-	2,244,675	4,986,453	4,986,453	-
Total	2,741,778		-	2,244,675	4,986,453	4,986,453	-
7.0 Primary Schools Projects							
7.1 Amoso Primary School	2,000,000		-	-	2,000,000	2,000,000	-
7.2 Andingó Primary School	2,000,000		-	-	2,000,000	2,000,000	-
7.3 Anind Oko Primary School	2,000,000		-	-	2,000,000	2,000,000	-
7.4 Ayuyu Primary School	2,000,000		-	-	2,000,000	2,000,000	-
7.5 God Ndiru Primary School	2,000,000		-	-	2,000,000	2,000,000	-
7.6 Got Kabok Primary School	1,000,000		-	-	1,000,000	1,000,000	-
7.7 Gul Kagembe Primary School	1,000,000		-	-	1,000,000	1,000,000	-
7.8 Kimanyi Primary School	2,000,000		-	-	2,000,000	2,000,000	-
7.9 Kotora Primary School	2,000,000		-	-	2,000,000	2,000,000	-

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

Programme/Sub-programme	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
	Original Budget(a)	Opening Balance (C/BE) and AIA			
	2021/2022	2021/2022	2021/2022	30/06/2022	
	Kshs	Kshs	Kshs	Kshs	Kshs
7.10 Kuoyo Kochia Pri School	2,500,000	-	2,500,000	2,500,000	-
7.11 Ligisa Primary School	2,000,000	-	2,000,000	2,000,000	-
7.12 Luora Primary School	2,000,000	-	2,000,000	2,000,000	-
7.13 Lwaho Primary School	2,000,000	-	2,000,000	2,000,000	-
7.14 Magwar Primary School	2,000,000	-	2,000,000	2,000,000	-
7.15 Manga Primary School	2,000,000	-	2,000,000	2,000,000	-
7.16 Nyambare Primary School	1,500,000	-	1,500,000	1,500,000	-
7.17 Nyangweso Sch for the Deaf	3,000,000	-	3,000,000	3,000,000	-
7.18 Nyaundho Primary School	2,000,000	-	2,000,000	2,000,000	-
7.19 Nyawawa Primary School	1,500,000	-	1,500,000	1,500,000	-
7.20 Nyopuge Primary School	2,000,000	-	2,000,000	2,000,000	-
7.21 Obengle Primary School	2,000,000	-	2,000,000	2,000,000	-
7.22 Omoche Primary School	2,500,000	-	2,500,000	2,500,000	-
7.23 Orero Primary School	2,000,000	-	2,000,000	2,000,000	-
7.24 Othoro Primary School	1,000,000	-	1,000,000	1,000,000	-
7.25 Rangii Primary School	2,000,000	-	2,000,000	2,000,000	-
7.26 Randung' Primary School	1,000,000	-	1,000,000	1,000,000	-
7.27 Yogo Primary School	2,000,000	-	2,000,000	2,000,000	-
7.28 Obuya Primary School	-	-	986,452	986,452	-

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

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)		Actual on comparable basis(d)		Budget utilization difference (e = c-d)	
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Kshs	2021/2022	Kshs	30/06/2022	Kshs		Kshs
7.29 Nyawawa Primary School	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	-	-	
7.30 Gul Kagembe Pri School	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	-	-	
7.31 Kitora Primary School	-	-	-	500,000	500,000	500,000	500,000	-	-	
7.32 Atili Primary School	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	-	-	
7.33 Obuya Primary School	-	-	-	1,513,548	1,513,548	1,513,548	1,513,548	-	-	
7.34 Kirongo Primary School	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	-	-	
7.35 Rabur Kaura	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	-	-	
7.36 Luora Primary School	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-	
7.37 Ariwa Primary School	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	-	-	
7.38 Odiya Primary School	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	-	-	
7.39 Ongeti Primary School	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-	
7.40 Pundo Primary School	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-	
7.41 Rangwe Primary School	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	-	-	
7.42 Nyawita Primary School	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	-	-	
7.43 Asumbi Mixed PriSchool	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-	
7.44 Rabur Ponge Pri School	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	-	-	
Total	51,000,000		-	24,000,000	75,000,000	75,000,000	75,000,000			
8.0 Secondary Schools Projects										
8.1 Asumbi Girls High School	10,000,000		-	-	10,000,000	10,000,000	10,000,000		-	

**Rangwe Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
	2021/2022	Kshs	Opening Balance (C/Bk) and ALA	Kshs			
8.2 Koyoo Mixed Sec School	6,000,000	-	-	-	6,000,000	6,000,000	-
8.3 Omoche Mixed SecSchool	1,500,000	-	-	-	1,500,000	1,500,000	-
8.4 Odiinya Mixed SecSchool	6,000,000	-	-	-	6,000,000	6,000,000	-
8.5 Orero Boys Secondary School	5,000,000	-	-	-	5,000,000	5,000,000	-
8.6 St. Albert Chiepe MSS	6,000,000	-	-	-	6,000,000	6,000,000	-
8.7 St. Josephine Bakhita Girls SS	5,000,000	-	-	-	5,000,000	5,000,000	-
8.8 Achego Mixed SecSchool	-	-	4,034,000	-	4,034,000	4,034,000	-
8.9 Ang'iro mixed Sec School	-	-	1,900,000	-	1,900,000	1,900,000	-
8.10 Aoch Muga Mixed SS	-	-	1,900,000	-	1,900,000	1,900,000	-
8.11 Asumbi Girls High School	-	-	741,777	-	741,777	741,777	-
8.12 God Marera Mixed Sec Sch	-	-	1,900,000	-	1,900,000	1,900,000	-
8.13 Kenya Coaches Industries	-	-	15,500	-	15,500	15,500	-
8.14 Ludhe Dongo Mixed SS	-	-	1,189,757	-	1,189,757	1,189,757	-
8.15 Orero Secondary School	-	-	932,000	-	932,000	932,000	-
8.16 St. Mary's Kachar Girls SS	-	-	4,034,000	-	4,034,000	4,034,000	-
8.17 Ludhe Dongo Mixed SS	-	-	1,810,243	-	1,810,243	-	1,810,243
Total	39,500,000	-	18,457,277	-	57,957,277	56,147,034	1,810,243
10.0 Security Projects							
10.1Ngegu Police Post	3,500,000	-	-	-	3,500,000	3,500,000	-

**Rangwe Constituency
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Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
	2021/2022	Kshs	Opening Balance (C/BK) and AIA	Kshs			
10.2 Ndiru Police Post	-	-	-	3,600,000	3,600,000	3,600,000	-
10.3 Kotieno Chief's Camp	-	-	-	1,500,000	1,500,000	1,500,000	-
Total	3,500,000	-	-	5,100,000	8,600,000	8,600,000	-
11.0 Acquisition of assets							
11.1 Purchase of Motor Vehicle	-	-	-	56,000	56,000	-	56,000
Total	-	-	-	56,000	56,000	-	56,000
12.0 Other payments	-	-	-	-	-	-	-
Total							
13.0 unallocated fund	-	-	-	-	-	-	-
Unapproved projects	-	-	-	-	-	-	-
AIA	-	-	-	-	-	-	-
PMC savings	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
TOTAL	137,088,879	3,091,087	63,088,879	203,268,845	181,874,082	21,394,761	

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-Rangwe 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 30th 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. B 096812		6,300,000
AIE NO. A 823714		35,000,000
AIE NO. B 104746		20,000,000
AIE NO. B 128015		13,000,000
AIE NO. B 119625		10,000,000
AIE NO. B 132018		6,000,000
AIE NO. B 132312		6,000,000
AIE NO. B 128257		6,900,000
AIE NO. B 105068		10,000,000
AIE NO. B 124651		9,000,000
AIE NO. B 126273		6,100,000
AIE NO. B 104833		8,367,724
AIE NO. B 138981		13,000,000
AIE NO. B 104886		3,100,000
AIE NO. B 140712	12,000,000	
AIE NO. B 140818	6,000,000	
AIE NO. B 150266	33,000,000	
AIE NO. B 105403	34,000,000	
AIE NO. B 105618	10,000,000	
AIE NO. B 105913	22,000,000	
AIE NO. B 128678	5,000,000	
AIE NO. B 128989	12,000,000	
AIE NO. B 154410	18,000,000	
AIE NO. B 154248	12,000,000	
AIE NO. B 089081	12,088,879	
AIE NO. B 154468	14,088,879	
AIE NO. A 895020	10,000,000	
TOTAL	200,177,758	152,767,724

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Notes To the Financial Statements (Continued)

2. Proceeds From Sale of Assets

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

3. Other Receipts

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

4. Compensation Of Employees

	2021 - 2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,955,037	4,108,768
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	3,717,600	3,489,600
Employer Contributions Compulsory national social security schemes	115,420	175,080
Total	6,788,057	7,773,448

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5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	-	-
Communication, supplies and services	43,050	41,450
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,810,000	1,282,800
Hospitality supplies and services	-	-
Other committee expenses	3,356,855	1,880,000
Committee allowance	5,378,903	2,266,000
Insurance costs	23,111	-
Specialized materials and services	-	-
Office and general supplies and services	545,620	987,616
Fuel, oil and lubricants	900,000	1,300,000
Other operating expenses	-	-
Routine maintenance -- vehicles and other transport equipment	60,000	365,000
Routine maintenance -- other assets	-	106,950
Total	12,333,539	8,229,816

Rangwe Constituency

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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	75,000,000	37,100,000
Transfers To Secondary Schools (See Attached List)	56,147,034	38,226,243
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	131,147,034	75,326,243

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	9,522,000	19,171,170
Bursary – tertiary institutions (see attached list)	1,497,000	6,533,000
Bursary – special schools (see attached list)	-	35,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	8,600,000	56,700,000
Sports projects (see attached list)	4,986,452	1,000,000
Environment projects (see attached list)	-	747,354
Emergency projects (see attached list)	7,000,000	8,100,000
Total	31,605,452	92,286,524

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	-	6,244,000
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	-	6,244,000

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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)		
<i>Equity Bank, 0980261940653</i>	21,394,763	1,194,287
Total	21,394,763	1,194,287
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>
		Kshs	Kshs	Kshs
Charles Omosa	2021 / 2022	650,000	650,000	-
Charles Omosa	2021 / 2022	345,000	345,000	
Charles Omosa	2021 / 2022	589,000	589,000	
Charles Omosa	2021 / 2022	500,000	500,000	
Charles Omosa	2021 / 2022	450,850	450,850	
Charles Omosa	2021 / 2022	600,000	600,000	
<i>Total</i>		3,134,850	3,134,850	-

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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	1,194,287	39,919,294
Cash in hand	-	-
Imprest	1,896,800	-
Total	3,091,087	39,919,294

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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
Unutilised Funds	-	-	-
Compensation of Employees	1,109,250	(963,428)	145,822
Use of goods and services	175,826	1,227,952	1,403,778
Amount due to other Government entities	34,789,757	7,667,520	42,457,277
Amount due to other grants and transfers	17,485,034	1,540,968	19,026,002
Acquisition of assets	56,000		56,000
Total	53,615,867	-	63,088,879

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	1,896,800	-
Imprest issued during the year (B)	-	1,896,800
Imprest surrendered during the Year (C)	1,896,800	-
closing accounts in account receivables D= A+B-C	-	1,896,800
Changes in Account Receivables E= D-A	1,896,800	1,896,800

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

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	662,835	145,822
Use of goods and services	-	1,403,778
Amounts due to other Government entities (see attached list)	-	42,457,277
Amounts due to other grants and other transfers (see attached list)	20,731,928	19,026,002
Acquisition of assets	-	56,000
Funds pending approval	-	-
Total	21,394,763	63,088,879

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	9,743,026	2,680,201
Total	9,743,026	2,680,201

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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 Balances 30 th June 2022	Comments
NG-CDFC Staff				
1. Janet Achieng'	Office Assistant	1 st February, 2012	193,440	Service gratuity
2. Fred Omondi	Coordinator	1 st September, 2013	227,850	Service gratuity
3. Alphonse Odhiambo	Accounts Assistant	1 st September, 2013	293,520	Service gratuity
4. Joseph Oketch	Driver	1 st September, 2016	60,450	Service gratuity
5. Kenhastings Ochieng	Clerk	1 st February, 2012	391,550	Service gratuity
6. Jacton Omondi	Grounds man	1 st September, 2013	151,900	Service gratuity
7. John Onyango	Clerk of Works	1 st September, 2015	241,800	Service gratuity
8. Mercy Oguta	Records Officer	1 st September, 2013	227,800	Service gratuity
Sub-Total				
Grand Total			1,788,360	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of staff salaries	662,835	145,822	
Use of goods & services	Committee allowances	-	1,403,778	
Amounts due to other Government entities			24,000,000	
Primary Schools			986,452	
Obuya Primary School	Construction of an administration block of 3 offices, hall and a veranda to completion		1,500,000	
Nyawawa Primary School	Completion of 3 No. classrooms; Re-roofing, window fittings, doors, wall plastering, floor and paintings		1,000,000	
Gul Kagembe Primary School	Fencing of the 720LM school compound using cedar poles and barbed wire and fixing of a standard gate (14Ft)		500,000	
Kotora Primary School	Renovation of 4 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and paintings.		1,000,000	
Atili Primary School	Construction of 1 No. classroom to completion		1,513,548	
Obuya Primary School	Construction of an		1,500,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	administration block of 3 offices, hall and a veranda to completion			
Kirongo Primary School	Completion of 2 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and paintings.		1,000,000	
Rabuor Kaura	Renovation of 2 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and paintings.		2,000,000	
Luora Primary School	Construction of 1 No. classroom to completion		1,000,000	
Ariwa Primary School	Fencing of the 700 LM school compound using cedar poles and barbed wire and fixing of a standard gate (14Ft)		1,500,000	
Odienya Primary School	Fencing of the 780 LM school compound using cedar poles and barbed wire and fixing of a standard gate (14Ft) @ Kshs. 1,000,000 and construction of a 4 doors pit latrine to completion @ Kshs. 500,000.00		2,000,000	
Ongeti Primary School	Renovation of 4 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and		2,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	paintings.			
Pundo Primary School	Construction of 2 No. classrooms to completion		1,500,000	
Rangwe Primary School	Completion of 3 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and paintings.		1,500,000	
Nyawita Primary School	Renovation of 3 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and paintings.		2,000,000	
Asumbi Mixed Primary School	Renovation of 4 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and paintings.		1,500,000	
Rabuor Ponge Primary School	Renovation of 2 No. classrooms; Re-roofing, windows and doors fixing, wall plastering and paintings.		986,452	
Secondary Schools			18,457,277	
Achego Mixed Secondary School	Purchase of school bus		4,034,000	
Ang'iro mixed Secondary School	Purchase of school bus		1,900,000	
Aoch Muga Mixed Secondary School	Purchase of school bus		1,900,000	
Asumbi Girls High School	Installation of cabros		741,777	
God Marera Mixed Secondary School	Purchase of school bus		1,900,000	
Kenya Coaches Industries	Purchase of school bus		15,500	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Ludhe Dongo Mixed Secondary School	Construction of 2 No. classrooms		1,189,757	
Orero Secondary School	Installation of cabros		932,000	
Sub-Total		-	42,457,277	
Security		-	5,100,000	
Ndiru Police Post	Construction of police post with 2 men and women cells		3,600,000	
Kotieno Chief's Camp	Renovation of Chief's Camp Hall; Re-roofing, windows and doors fixing, wall plastering and paintings.		1,500,000	
Sports	Constituency sports tournament	-	2,244,675	
Environment	Tree planting	-	-	
Bursary				
Bursary Secondary Schools	Bursary for needy students in secondary school	13,722,826	4,517,262	
Bursary Tertiary Institutions	Bursary for needy students in tertiary institutions	6,000,000	6,769,796	
Bursary special schools	Bursary for needy students in special schools	816,895	327,095	
Emergency	Unforeseen circumstances	192,207	67,174	
Sub-Total		20,731,928	19,026,002	
Acquisition of assets			56,000	
Others (<i>specify</i>)				
Sub-Total			56,000	
Funds pending approval		-	-	
Grand Total		21,394,763	63,088,879	

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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
Land	-	-	-	-
Buildings and structures	11,352,286	-	-	11,352,286
Transport equipment	6,244,000	-	-	6,244,000
Office equipment, furniture and fittings	700,000	-	-	700,000
ICT Equipment, Software and Other ICT Assets	210,000	-	-	210,000
Other Machinery and Equipment	32,000	-	-	32,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	18,538,286	-	-	18,538,286

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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
Rangwe Constituency Sports Tournament	Equity, HB Branch	0980279317582	1 st July, 2020		2,278
Gul Kagembe Primary School	Equity, HB Branch	0980262513523	1 st July, 2020		21
Koyoo Primary School	Equity, HB Branch	0980280832091	1 st July, 2020		44,270
Ludhe Dongo Primary School	Equity, HB Branch	0980280921810	1 st July, 2020		9,643
Ngegu Primary School	Equity, HB Branch	0980280830769	1 st July, 2020		4,430
Nyachar Primary School	Equity, HB Branch	0980262646659	1 st July, 2020		173
Nyandema Primary School	Equity, HB Branch	0980279676911	1 st July, 2020		188,910
Oluso Primary School	Equity, HB Branch	0980280831877	1 st July, 2020		28,110
Rabuor Kaura Primary School	Equity, HB Branch	0980269143049	1 st July, 2020		837
Sango Gem Primary School	Equity, HB Branch	0980280831552	1 st July, 2020		2,270
Tar Primary School	Equity, HB Branch	0980280820865	1 st July, 2020		48,310
Wangapala Kolielo Primary School	Equity, HB Branch	0980280820575	1 st July, 2020		244,270
Wikoteng' Primary School	Equity, HB Branch	0980280820396	1 st July, 2020		6,700
Achege Mixed Secondary School	Equity, HB Branch	0980280775476	1 st July, 2020		-
Angiro Mixed Secondary School	Equity, HB Branch	0980280775356	1 st July, 2020		-
God Marera Mixed Secondary School	Equity, HB Branch	0980280857087	1 st July, 2020		-

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PMC	Bank	Account number	Date a/c opened	Bank Balance 2021/22	Bank Balance 2020/21
Nyopuge Mixed-Secondary School	Equity, HB Branch	0980280777851	1 st July, 2020		85,990
St. Mary's Kachar Girls Secondary School	Equity, HB Branch	0980280778689	1 st July, 2020		-
Rangwe AP Line	Equity, HB Branch	0980271058309	1 st July, 2020		2,005,989
Rangwe Strategic Plan	Equity, HB Branch	0980277509889	1 st July, 2020		8,000
Amoso Primary School	Equity, HB Branch	0980282149602	1 st July, 2021	2,000	
Anding'o Primary School	Equity, HB Branch	0980282171999	1 st July, 2021	1,400	
Ang'iro Mixed Secondary School	Equity, HB Branch	0980280777851	1 st July, 2021	1,280	
Anind Oko Primary School	Equity, HB Branch	0980282313901	1 st July, 2021	0.00	
Aoch Muga Mixed Secondary School	Equity, HB Branch	0980280775356	1 st July, 2021	1,280	
Asumbi Girls High School	Equity, HB Branch	0980282173582	1 st July, 2021	1,777	
Atili Primary School	Equity, HB Branch	0980282009947	1 st July, 2021	350	
Ayuyu Primary School	Equity, HB Branch	0980282573589	1 st July, 2021	0.00	
God Ndiru Primary School	Equity, HB Branch	0980282175162	1 st July, 2021	400,000	
Got Kabok Primary School	Equity, HB Branch	0980282066922	1 st July, 2021	2,000	
Kimanyi Primary School	Equity, HB Branch	0980282166653	1 st July, 2021	3,000	
Kirongo Primary School	Equity, HB Branch	0980281747126	1 st July, 2021	500	
Kotora Primary School	Equity, HB Branch	0980281151580	1 st July, 2021	2,088,360	

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PMC	Bank	Account number	Date a/c opened	Bank Balance 2021/22	Bank Balance 2020/21
Kuoyo Kochia Primary School	Equity, HB Branch	0980280832091	1 st July, 2021	0.00	
Ligisa Primary School	Equity, HB Branch	0980272176276	1 st July, 2021	11,000	
Luora Primary School	Equity, HB Branch	0980282092313	1 st July, 2021	1,020,400	
Lwaho Primary School	Equity, HB Branch	0980282174369	1 st July, 2021	2,400	
Magwar Primary School	Equity, HB Branch	0980282183602	1 st July, 2021	36,600	
Manga Primary School	Equity, HB Branch	0980282454210	1 st July, 2021	2,000	
Ngegu Police Post	Equity, HB Branch	0980282774612	1 st July, 2021	1,500,000	
Nyambare Primary School	Equity, HB Branch	0980277526444	1 st July, 2021	1,840	
Nyangweso School for the Deaf	Equity, HB Branch	0980282457001	1 st July, 2021	2,000	
Nayundho Primary School	Equity, HB Branch	0980277526810	1 st July, 2021	2,720	
Nyawawa Primary School	Equity, HB Branch	0980281138286	1 st July, 2021	523,800	
Nyawita Primary School	Equity, HB Branch	0980269154808	1 st July, 2021	39,400	
Nyopuge Primary School	Equity, HB Branch	0980280857087	1 st July, 2021	37,390	
Obengle Primary School	Equity, HB Branch	0980282013571	1 st July, 2021	9,150	
Obuya Primary School	Equity, HB Branch	0980282090236	1 st July, 2021	3,000	
Odienna Primary School	Equity, HB Branch	0980281222600	1 st July, 2021	2,000	
Omoche Mixed Secondary School	Equity, HB Branch	0980269141941	1 st July, 2021	2,170	

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PMC	Bank	Account number	Date a/c opened	Bank Balance 2021/22	Bank Balance 2020/21
Omoche Primary School	Equity, HB Branch	0980277436678	1 st July, 2021	1,227,054	
Ongeti Primary School	Equity, HB Branch	0980281128276	1 st July, 2021	43,200	
Orero Boys Secondary School	Equity, HB Branch	0980264685010	1 st July, 2021	1,929,660	
Orero Primary School	Equity, HB Branch	0980271247740	1 st July, 2021	46,883	
Othoro Primary School	Equity, HB Branch	0980280079270	1 st July, 2021	15,887.50	
Pundo Primary School	Equity, HB Branch	0980281128397	1 st July, 2021	42,360	
Rabuor Kaura Primary School	Equity, HB Branch	0980269143049	1 st July, 2021	25,837	
Rabuor Ponge Primary School	Equity, HB Branch	0980280085294	1 st July, 2021	38,027	
Randung' Primary School	Equity, HB Branch	0980271901450	1 st July, 2021	4,907.50	
Rang'ii Primary School	Equity, HB Branch	0980282647394	1 st July, 2021	530,000	
Rangwe Primary School	Equity, HB Branch	0980281137959	1 st July, 2021	18,800	
St. Albert Chiepe Secondary School	Equity, HB Branch	0980279834250	1 st July, 2021	242.68	
Yogo Primary School	Equity, HB Branch	0980282062466	1 st July, 2021	122,350	
Total				9,743,026	2,680,201

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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)
REPORT ON THE FINANCIAL STATEMENTS				
Basis for Qualified Opinion				
1.	Unsupported Use of Goods and Services As disclosed in Note 3 of financial statements, the statement of receipt and payments reflects payments totalling to Kshs.12,369,430 relating to use of goods and services. However, the individual items were not supported by sub – schedules or sub – ledgers. Consequently, the accuracy and completeness of Kshs. 12,369,430 under use of goods and services for the year ended 30 th June, 2020 could not be confirmed.	The expenditure has been scheduled accordingly.	Not resolved	30 th June, 2022
2.	Variances Between the Statement of Appropriation and Unutilized Funds The statement of appropriation – recurrent and development combined reflects total budget utilization of Kshs. 116,884,589. However, Note 17.3 on unutilized funds reflects total unutilized fund balances of Kshs. 102,779,289. The resulting difference of Kshs. 14,105,300	Accounts have been corrected and amended appropriately.	Not resolved	30 th June, 2022

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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)
3	<p>between the sets of records have not been explained or reconciled.</p> <p>Consequently, the accuracy and completeness of budget utilization difference of Kshs. 116,884,589 for the year ended 30th June, 2020 could not be confirmed.</p>	Accounts have been adjusted appropriately and every item scheduled	Not resolved	30 th June, 2022
	<p>Inaccuracies in the Statement of Budget Execution by Programmes and Sub-Programmes</p> <p>The statement of budget execution by programs and sub – programs reflects transfers to primary schools amounting to Kshs. 20,700,000. The balance does not include Kshs. 3,000,000 transfers to two schools which are supported by the payment schedules. On the other hand, the statements include Kshs. 2,500,000 transfers to two schools which are not supported by payment schedules.</p> <p>Consequently, the accuracy and completeness of statement of budget execution by programs and sub – programs for the year ended 30th June, 2020 could not be confirmed.</p>			
Other Matter				
1.	Budgetary Control and Performance	The underutilization was	Not resolved	30 th June,

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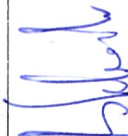
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of budget and actual amount for the year ended 30 June, 2020 reflects Kshs.206,527,719 and Kshs.119,940,876 in respect to budgeted revenue and actual receipts respectively. This translates to an under-realization of Kshs.86,586,844 or 42% of the budget.</p> <p>In addition, the statement of comparison of budget and actual amounts reflects Kshs.206,527,719 and Kshs.89,643,130 in respect of budgeted and actual payments respectively resulting to under absorption of Kshs.119,648,564 or 47 % of the budget.</p> <p>The under-realization and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Rangwe Constituency.</p>	<p>as a result of late disbursement of funds by the NG-CDF Board. The management is working in strategy to ensure that amount disbursed is fully utilized before close of financial year.</p>		2022
2.	<p>The Project Implementation Status indicated that projects with estimated cost of Kshs. 80,547,354 were not implemented during the year. This was attributed to underfunding by the NG-CDF Board.</p> <p>Failure by the Board to fund the projects on time affected implementation of planned projects and may have impacted negatively on</p>	<p>The underutilization was as a result of late disbursement of funds by the NG-CDF Board.</p>	Not resolved	30 th June, 2022

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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)
	service delivery to the residents of Rangwe Constituency.			
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
Basis for Conclusion				
1.	<p>Implementation of Emergency Projects As disclosed in Note 7 to the financial statements, the statement of receipt and payments reflects other grants and other payments of Kshs. 24,924,482 out of which Kshs. 3,400,000 is in respect of emergency projects. However, the requests for the emergency funds by the schools and NG-CDF committee minutes approving the utilization of the emergency funds were not provided for audit for audit verifications.</p> <p>In addition, expenditure records including bills of quantities, the quotations, purchase orders, delivery notes, invoices, inspection and acceptance minutes, payment vouchers and bank statements were not presented for audit.</p> <p>Further, there was no evidence to indicate that the utilization of the emergency reserve was reported to the Board within 30 days of the occurrence of the emergency as required by Regulation, 20 (2) of the National Government Constituency Development Fund Regulations, 2016.</p>	The cases being emergency in nature, were implemented pending ratification including notifying the Board on utilization of emergency funds.	Not resolved	30 th June, 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Give a date when you expect the issue to be resolved)
2.	<p>Consequently, the regularity and propriety of the emergency projects of Kshs. 3,400,000 could not be confirmed.</p> <p>Lack of a Procurement Plan Procurement plan and work plan were not prepared and approved contrary to Regulations 25 (1&2) of the National Government Constituency development Fund Regulations, 2016 which requires that the officer of the Board seconded to the Constituency to prepare a detailed budget, procurement plan and work plan for the year and present them to the committee for approval.</p> <p>Consequently, the management was in breach of the law.</p>	<p>The management prepared annual work plan and annual procurement plan but failed to present the same to the Board for approval. The management intends to prepare work plan and procurement plan in subsequent years and ensure the same is table before the committee and later to the Board for approval.</p>	Not resolved	30 th June, 2022



Charles Omosa
Fund Account Manager.