

REPUBLIC OF KENYA



*Enhancing Accountability*

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**REPORT**

DATE: 02 AUG 2023

DAY  
WED

TABLED  
OF

CLERK-AT  
THE-TABLE:

Hon Naomi Wago, MP  
Deputy Majority Whip  
Fulaya Mwariki

**THE AUDITOR-GENERAL**

**ON**

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

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



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**KANDUYI CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

FUND ACCOUNT MANAGER  
Kanduyi N.G - C.D.F  
P.O. Box 2666 - 50200 Bungoma  
Date: ..... Sign: .....

**Table of Contents**

Page

I.	Key Constituency Information and Management .....	iii
II.	NG-CDFC Chairman’s Report .....	vii
III.	Statement Of Performance Against Predetermined Objectives for FY2021/22.....	x
IV.	Environmental and Sustainability Reporting.....	xii
V.	Statement of Management Responsibilities .....	xvi
VI.	Report Of the Independent Auditors On The NGCDF- Kanduyi Constituency .....	xviii
VII.	Statement Of Receipts and Payments for the Year Ended 30th June 2022 .....	1
VIII.	Statement of Assets and Liabilities As At 30 <sup>th</sup> June, 2022 .....	2
IX.	Statement of Cash Flows for the Year Ended 30th June 2022 .....	4
X.	Summary Statement of Appropriation for the Year Ended 30 <sup>th</sup> June 2022.....	5
X.	Budget Execution by Sectors and Projects for the Year Ended 30 <sup>th</sup> June 2022 .....	7
XI.	Significant Accounting Policies .....	15
XII.	Notes to the Financial Statements .....	21

## **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;

## ***Kanduyi Constituency***

### ***National Government Constituencies Development Fund (NGCDF)***

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

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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 Kanduyi 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)

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

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**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Winston Lihanda
2.	Sub-County Accountant	Consolata Oyinda
3.	Chairman NGCDFC	Christopher Kalabai
4.	Member NGCDFC	Scholastica Satia

**(d) Fiduciary Oversight Arrangements**

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

**P.O. Box 2666-50200  
KANDUYI NG CDF Building/House/Plaza  
BUNGOMA - MALABA Highway  
BUNGOMA, KENYA**

**(f) Kanduyi Constituency NGCDF Contacts**

**Telephone: (254) 787 883 580  
E-mail: [ngcdfkanduyi@ngcdf.go.ke](mailto:ngcdfkanduyi@ngcdf.go.ke)  
[www.ngcdf.go.ke](http://www.ngcdf.go.ke)**

**(g) Kanduyi Constituency NGCDF Bankers**

Cooperative Bank of Kenya  
Bungoma Branch  
P.O Box 1964-50200  
BUNGOMA, KENYA

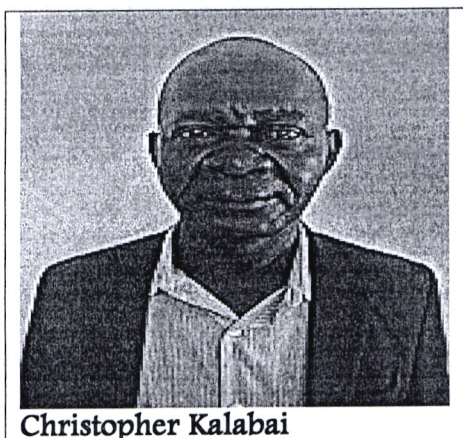
**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

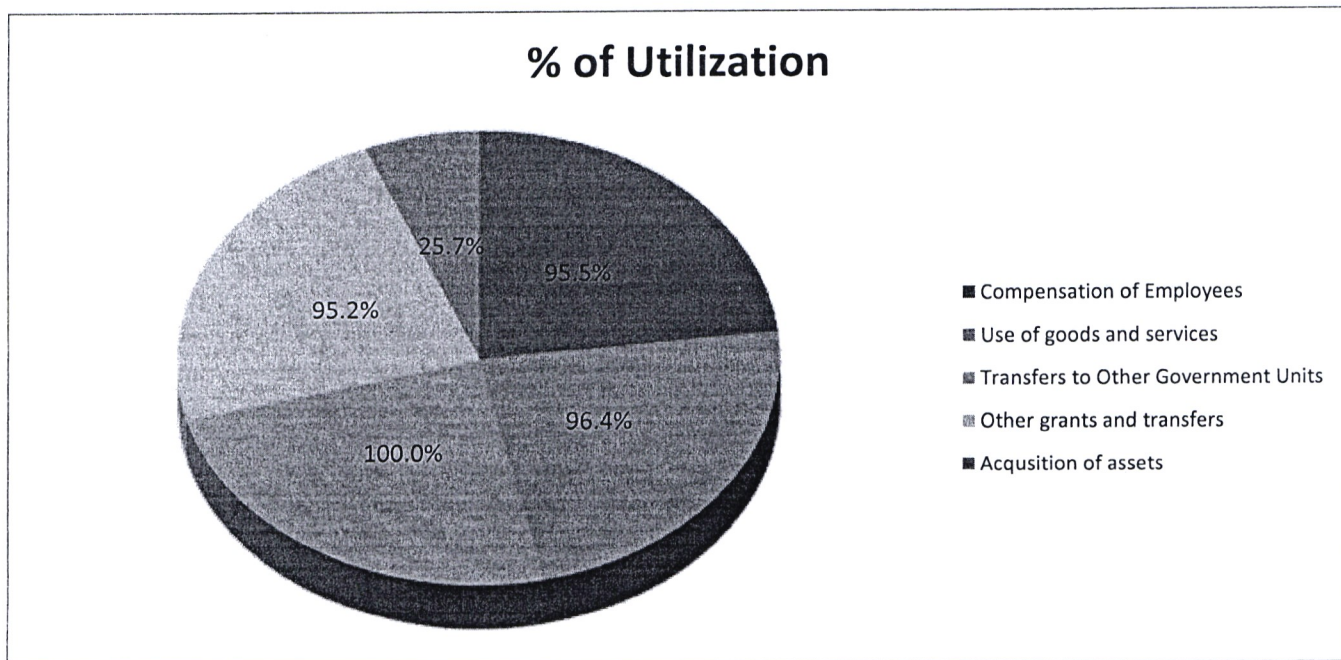
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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



**Budget Performance**

The budget performance against the actual amounts achieved an average of 95.6 % utilization for the economic classification and programmes represented as follows:



## *Kanduyi Constituency*

### *National Government Constituencies Development Fund (NGCDF)*

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

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### **Key Achievements of the Fund**

#### **Bursary**

The Fund was able to sponsor students under the bursary program that enabled the needy beneficiaries' access education in various tertiary educational institutions. The objective is to reduce drop out rates and increase retention & completion rates in education institutions.

The Fund was able to sponsor KMTc students thereby contributing towards the government agenda on Universal Health Coverage.

#### **Education**

The Fund contributed towards the government policy on 100% transition through provision & expansion of infrastructure in various educational institutions within the constituency.

*Project Name: Chemche ACK Secondary School – Construction of a Dormitory*



#### **CHALLENGES**

1. NG CDF going concern. Supreme Court of Kenya ruling on unconstitutionality of the NG CDF Act 2015
2. Insufficient yearly allocation
3. Peace meal funding of projects
4. Delay in release of funds by the exchequer
5. Training gaps in PMCs
6. Inadequate technical staff

*Kanduyi Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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**RECOMENDATIONS**

1. There is need to align the NG CDF Act 2015 to the Constitution of Kenya
2. Need for increase of the constituency yearly allocation
3. Sufficient allocation of funds to projects for completion & immediate use
4. Need for timely disbursements as stipulated in the NG CDF Act 2015
5. Need for continuous training of NG CDFC, NG CDFC staff, PMCs & various stakeholders on relevant government laws, regulations and procedure governing NG CDF operation
6. Need for recruitment of technical staff



.....

**Name: Christopher Kalabai**  
**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.

#### **Key development objectives**

##### **Education**

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

**Initiative:** Develop and enhance school's infrastructure to enhance facilities and provide conducive learning environment for children.

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

##### **Security**

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

**Initiative:** Improving infrastructure and service delivery

##### **Water and Environment**

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

**Initiative:** Initiate and enhance conservation programs within the constituency

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

##### **Sports**

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

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

**Kanduyi Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

**Progress on attainment of Strategic development objectives**

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"><li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li><li>- number of bursary's beneficiaries at all levels</li></ul>	<p>In FY 21/22 we increased number of classrooms to 16 in the following schools/institutions;</p> <ul style="list-style-type: none"><li>- Buburi Primary</li><li>- Nzoia Industrial Primary</li><li>- Mwikhupo Primary</li><li>- Kikwechi Primary Schools</li></ul> <p>- Bursary beneficiaries at all levels were as per the attached schedules</p>
Sports	To promote and nurture skills among youth	Increased youth involvement in development	Number of security incidences	In FY 21/22 there were 3 tournaments
Environment	To protect and sustain environmental resources	Increased awareness on the need to conserve the environment	Number of trees planted	In FY 21/22 there were schools connected with water harvesting goods

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

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

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

Kanduyi 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-**

Kanduyi 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.

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



**Lihanda Winston**

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


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

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The Accounting Officer in charge of the NGCDF Kanduyi 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- Kanduyi Constituency financial statements were approved and signed by the Accounting Officer on 22<sup>nd</sup> September, 2022.



.....  
**Name: Christopher Kalabai**  
**Chairman – NGCDF Committee**



.....  
**Name: Lihanda Winston**  
**Fund Account Manager**

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# REPUBLIC OF KENYA

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NAIROBI

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

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### 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 - Kanduyi Constituency set out on pages 1 to 54, 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 the summary statement

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

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

### **Basis for Qualified Opinion**

#### **Unsupported Expenditure on Sports Projects**

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.56,788,296 which, as disclosed under Note 7 to the financial statements includes Kshs.2,741,777 spent on sports projects which were not supported by payment vouchers and related documents.

In the circumstances, the propriety of the expenditure of Kshs.2,741,777 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 - Kanduyi Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

## **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, I confirm that, nothing 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**

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, except for the matters described in Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Integrated Adequate Information in the Fund's Payroll**

The Fund payroll did not contain adequate information on employees' bio data and details such as pay date, payroll number (personal number), ID Number, Tax PIN, Name – Surname - first name and other Names, gender, ethnic code, job group, date of birth, date of employment, month of increment, account numbers and bank code.

In the circumstances, the existence of an effective human resource management system could not be confirmed.

#### **2. Failure to Insure Fixed and Movable Assets**

Annex 4 to the financial statements on summary of fixed asset register for the year under review reflects total fixed assets of Kshs.28,812,726 which have not been insured, contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015, which requires all assets to be insured in the name of the Board.

In the circumstances, the assets of the Fund are at risk should any risk occur and the assets will suffer destruction.

#### **3. Failure to Maintain a Contracts Register**

The Fund did not maintain a contracts register detailing all aspects of contracts including procurement process, contract agreements, monitoring and evaluation reports and payments on the projects. This was contrary to Regulation 7(e) of the Public Procurement and Asset Disposal Regulations, 2016, which states that the Accounting Officer shall be responsible for ensuring that the procuring entity properly documents procurement proceedings and manages records in accordance with the Regulations.

In the circumstances, existence of an effective internal control to safeguard the assets could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 its sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

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

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

Those charged with governance are responsible for overseeing the 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 time 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 Fund's policies and procedures may deteriorate.


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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

10 July, 2023

*Kanduyi 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**

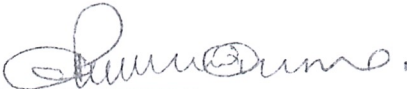
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	166,277,758	181,267,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>166,277,758</b>	<b>181,267,724</b>
<b>Payments</b>			
Compensation Of Employees	4	1,901,110	2,223,728
Use Of Goods and Services	5	12,130,201	7,259,997
Transfers To Other Government Units	6	115,490,000	121,871,072
Other Grants and Transfers	7	56,788,296	36,673,403
Acquisition Of Assets	8	1,917,500	-
Other Payments	9	-	3,000,000
<b>Total Payments</b>		<b>188,227,107</b>	<b>171,028,200</b>
<b>Surplus/(Deficit)</b>		<b>(21,949,349)</b>	<b>10,239,524</b>

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

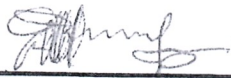
The Constituency financial statements were approved on 22<sup>nd</sup> September, 2022 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

Name: Lihanda Winston

  
\_\_\_\_\_  
National Sub-County  
Accountant

Name: Consolata Oyinda  
ICPAK M/No: 10523

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee


Name: Christopher Kalabai

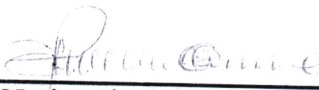
VIII. Statement of Assets and Liabilities As At 30<sup>th</sup> June, 2022

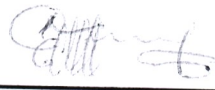
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	7,627,523	29,576,872
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>7,627,523</b>	<b>29,576,872</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>7,627,523</b>	<b>29,576,872</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>7,627,523</b>	<b>29,576,872</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	29,576,872	19,337,348
Prior year adjustments	14		
Surplus/Deficit for the year		(21,949,349)	10,576,872
<b>NET FINANCIAL POSITION</b>		<b>7,627,523</b>	<b>29,576,872</b>

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

The Constituency financial statements were approved on 22<sup>nd</sup> September, 2022 and signed by:

  
 Fund Account Manager

  
 National Sub-County  
 Accountant

  
 Chairman NG-CDF  
 Committee

Name: Lihanda Winston

Name: Consolata Oyinda

Name: Christopher Kalabai

**ICPAK M/No: 10523**


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


	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	166,277,758	181,267,724
Other Receipts	3	-	-
		<b>166,277,758</b>	<b>181,267,724</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	1,901,110	2,223,728
Use of goods and services	5	12,130,201	7,259,997
Transfers to Other Government Units	6	115,490,000	121,871,072
Other grants and transfers	7	56,788,296	36,673,403
Other Payments	9	-	3,000,000
		<b>186,309,607</b>	<b>171,028,200</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(20,031,849)</b>	<b>10,239,524</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,917,500)	-
<b>Net cash flows from Investing Activities</b>		<b>(1,917,500)</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(21,949,349)</b>	<b>10,239,524</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	10	<b>29,576,872</b>	<b>19,337,348</b>
<b>Cash and cash equivalent at END of the year</b>		<b>7,627,523</b>	<b>29,576,872</b>

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

The Constituency financial statements were approved on 22<sup>nd</sup> September, 2022 and signed by:

  
**Fund Account Manager**

  
**National Sub-County  
 Accountant**

  
**Chairman NG-CDF  
 Committee**

**Name: Lihanda Winston**

**Name: Consolata Oyinda  
 ICPAK M/No: 10523**

**Name: Christopher Kalabai**

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

**X. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c = a+b	Actual on Comparables Basis d	Budget Utilisation Difference e = d - c	% of Utilisation f = B/C %
<b>RECEIPTS</b>						
Transfers from NG- CDF Board	137,088,879	30,188,879	196,854,630	195,854,630	1,000,000	99.5%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>30,188,879</b>	<b>196,854,630</b>	<b>195,854,630</b>	<b>1,000,000</b>	<b>99.5%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,336,925	-	2,336,925	1,901,110	435,815	81.4%
Use of goods and services	9,901,073	1,170,967	12,236,210	12,130,201	106,009	99.1%
Transfers to Other Government Units	70,340,400	26,487,927	121,600,000	115,490,000	6,110,000	95.0%
Other grants and transfers	47,047,981	3,641,029	53,218,995	56,788,296	(3,569,301)	106.7%
Acquisition of Assets	7,462,500	-	7,462,500	1,917,500	5,545,000	25.7%
Other Payments	-	-	-	-	-	0.0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>30,188,879</b>	<b>196,854,630</b>	<b>188,227,107</b>	<b>8,627,523</b>	<b>95%</b>

1. The previous outstanding disbursement is Kes. 30,188,879

2. Budget utilization for financial year 2021/22 was 95 % i.e.:

- ✓ The funding of acquisition of assets was delayed thus the underutilization at 25

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

Description	Amount
Budget utilisation difference totals	8,627,523
Less undisbursed funds receivable from the Board as at 30th June 2022	1,000,000
	7,627,523
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	7,627,523

The Constituency financial statements were approved on 22<sup>nd</sup> September, 2022 and signed by:



**Fund Account Manager**

**Name: Lihanda Winston**



**National Sub-County Accountant**

**Name: Consolata Oyinda  
ICPAK M/No: 10523**



**Chairman NG-CDF Committee**

**Name: Christopher Kalabai**

*Kanduyi 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 30<sup>th</sup> June 2022**

Programme/Sub-Programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
<b>1.0 Administration And Recurrent</b>						
1.1 Compensation Of Employees	2,336,925			2,336,925	1,901,110	435,815
1.2 Committee Allowances	2,300,000			2,300,000	2,313,000	(13,000)
1.3 Use Of Goods And Services	3,488,407	398,325	405,122	4,291,854	4,352,245	(60,391)
<b>Total</b>	<b>8,125,332</b>	<b>398,325</b>	<b>405,122</b>	<b>8,928,779</b>	<b>8,566,355</b>	<b>362,424</b>
<b>2.0 Monitoring And Evaluation</b>						
2.1 Capacity Building	1,361,827			1,361,827	1,384,000	(22,173)
2.2 Committee Allowances	800,000			800,000	800,000	-
2.3 Use Of Goods And Services	1,950,839	765,845	765,845	3,482,529	3,280,956	201,573
<b>Total</b>	<b>4,112,666</b>	<b>765,845</b>	<b>765,845</b>	<b>5,644,356</b>	<b>5,464,956</b>	<b>179,400</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools						
3.2 Secondary Schools						
3.3 Tertiary Institutions						
3.4 Security Projects			-			
3.5 Unutilised	7,192,207	1,178,774		8,370,981	5,300,000	3,070,981
<b>Total</b>	<b>7,192,207</b>	<b>1,178,774</b>	<b>-</b>	<b>8,370,981</b>	<b>5,300,000</b>	<b>3,070,981</b>
<b>4.0 Bursary And Social Security</b>						
4.1 Secondary Schools	8,872,220		929,985	9,802,205	6,941,713	2,860,492

Programme/Sub-Programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Tertiary Institutions	25,200,000	2,462,255	1,600,000	29,262,255	38,763,029	(9,500,774)
4.3 Social Security				-		-
4.4 Special Needs				-		-
<b>Total</b>	<b>34,072,220</b>	<b>2,462,255</b>	<b>2,529,985</b>	<b>39,064,460</b>	<b>45,704,742</b>	<b>(6,640,282)</b>
<b>5.0 Sports</b>						
5.1 Sports	2,741,777	-	-	2,741,777	2,741,777	-
<b>Total</b>	<b>2,741,777</b>	<b>-</b>	<b>-</b>	<b>2,741,777</b>	<b>2,741,777</b>	<b>-</b>
<b>6.0 Environment</b>						
Bukembe Police Station	220,000			220,000	220,000	-
Kanduyi Ngcdf Office	220,000			220,000	220,000	-
Kanduyi Ngcdf Office	101,777			101,777	101,777	-
Malaha Primary Sch	220,000			220,000	220,000	-
Maliki Primary School	220,000			220,000	220,000	-
Musaka Primary Sch	220,000			220,000	220,000	-
Nakayonjo Primary Sch	220,000			220,000	220,000	-
Namisi CEB Pri Sch	220,000			220,000	220,000	-
Ranje Police Post	220,000			220,000	220,000	-
Sango Police Post	220,000			220,000	220,000	-
Siritanyi Primary Sch	220,000			220,000	220,000	-
Tembelela	220,000			220,000	220,000	-
Mechimeru Sec Sch	220,000			220,000	220,000	-
<b>Total</b>	<b>2,741,777</b>	<b>-</b>	<b>-</b>	<b>2,741,777</b>	<b>2,741,777</b>	<b>-</b>

Programme/Sub-Programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>7.0 Primary Schools Projects</b>						-
Buema Primary	-	1,800,000	-	1,800,000	1,800,000	-
Bukananachi Primary School	500,000	-	-	500,000	500,000	-
Bukembe Ersf Primary	-	500,000	-	500,000	500,000	-
Bukembe Sa Primary School	500,000	1,000,000	-	1,500,000	1,500,000	-
Bungoma Deb Primary School	-	-	5,600,000	5,600,000	5,600,000	-
Buumba Primary School	-	-	700,000	700,000		700,000
Central Baptist Primary School	600,000	-	500,000	1,100,000	1,100,000	-
Chemululuchi Primary School	700,000	-	-	700,000	700,000	-
Chengwali Primary School	800,000	-	-	800,000	800,000	-
Fuchani Primary School	-	-	700,000	700,000	700,000	-
Kamba Primary	-	-	590,573	590,573	700,000	(109,427)
Kanduyi Deb Primary School	800,000	-	-	800,000	800,000	-
Khakula Primary School	800,000	-	-	800,000	800,000	-
Khaoya Primary School	-	-	500,000	500,000	500,000	-
Khaweli Primary School	800,000	-	-	800,000	800,000	-
Kibabii Boarding Primary School	-	-	500,000	500,000	500,000	-
Kikwechi Primary School	1,600,000	-	-	1,600,000	700,000	900,000
Kitale Fym Primary School	-	-	700,000	700,000	700,000	-
Kimukungi Primary School	-	200,000	-	200,000		200,000
Kimugui Primary School	800,000	-	-	800,000	800,000	-
Kitinda Primary School	800,000	-	-	800,000	800,000	-

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kongoli Primary School	-	-	700,000	700,000	700,000	-
Lumasa Primary School	600,000	600,000	-	1,200,000	1,200,000	-
Lufungu Primary School	800,000	-	-	800,000	800,000	-
Luyekhe Primary School	-	-	500,000	500,000	500,000	-
Lwanda Primary School	800,000	-	-	800,000	800,000	-
Mabuusi Primary School	700,000	-	-	700,000	700,000	-
Maliki Primary School	1,000,000	-	-	1,000,000	1,000,000	-
Matumbufu Primary School	-	-	500,000	500,000	500,000	-
Maocho Primary School	800,000	500,000	-	1,300,000	1,300,000	-
Mukholi Primary School	99,800	1,359,527	-	1,459,327	1,459,327	-
Musikoma Primary School	-	-	500,000	500,000	500,000	-
Muyayi Primary School	-	-	700,000	700,000	700,000	-
Mungeti Primary School	800,000	-	-	800,000	800,000	-
Mupeli Primary School	600,000	-	700,000	1,300,000	1,300,000	-
Mwibale Primary School	-	-	700,000	700,000	1,400,000	(700,000)
Mwikhupo Primary School	1,600,000	-	-	1,600,000	1,600,000	-
Nabutola Primary School	-	400,000	-	400,000	400,000	-
Nalutiri Primary School	-	700,000	-	700,000	700,000	-
Namaanga Primary School	-	700,000	-	700,000	700,000	-
Namamuka Primary School	-	500,000	-	500,000	500,000	-
Namiremba Primary School	800,000	-	-	800,000	800,000	-
Namisi Ceb Primary School	800,000	732,396	67,604	1,600,000	1,600,000	-

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Narnisi Primary School	-	-	700,000	700,000	700,000	-
Ndakaru Primary School	1,200,000	-	-	1,200,000	1,200,000	-
Nzoia Industrial Primary School	1,600,000	-	-	1,600,000	1,600,000	-
Ranjie Primary School	1,000,000	-	-	1,500,000	1,500,000	-
Sangolo Primary School	-	500,000	-	500,000	500,000	-
Sango Primary School	-	500,000	-	1,500,000	1,500,000	-
Sango Fym Primary School	4,900,000	1,500,000	-	4,900,000	4,900,000	-
Sikalame Primary School	-	-	-	700,000	700,000	-
Siloba Primary School	-	700,000	-	1,500,000	1,500,000	-
Sinoko Primary School	-	1,500,000	-	1,000,000	1,000,000	-
Sio Primary School	600,000	1,000,000	-	1,100,000	1,100,000	-
Siritany Primary School	600,000	500,000	-	1,300,000	1,300,000	-
Sitoma Primary School	2,000,000	700,000	-	2,000,000	2,000,000	-
Tembelela Primary School	-	-	-	1,400,000	1,400,000	-
Tulienge Primary School	1,000,000	700,000	700,000	1,000,000	1,000,000	-
Wacheka Primary School	-	-	-	1,000,000	1,000,000	-
Walala Primary School	1,600,000	200,000	800,000	1,600,000	1,600,000	-
Watwanga Primary School	1,000,000	-	-	1,000,000	1,000,000	-
Wekeletha Primary School	-	2,800,000	-	2,800,000	2,380,573	419,427
<b>Total</b>	<b>33,599,800</b>	<b>19,591,923</b>	<b>16,358,177</b>	<b>69,549,900</b>	<b>68,139,900</b>	<b>1,410,000</b>
<b>8.0 Secondary Schools Projects</b>						-

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
Ack Good Shepherd Secondary	1,000,000	-	-	1,000,000	500,000	500,000
Ack Marakaru Sec	700,000	-	-	700,000	700,000	-
Baptist Girls High School	-	-	1,000,000	1,000,000	-	1,000,000
Bukananahi Secondary School	-	-	700,000	700,000	700,000	-
Bukembe Sa Sec Sch	1,600,000	-	-	1,600,000	1,600,000	-
Bungoma Baptist Girls Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Buteli Sec	1,000,000	-	-	1,000,000	1,000,000	-
Cardinal Otunga Girls	1,600,000	-	-	1,600,000	1,600,000	-
Khaoya Sec	400,000	-	-	400,000	400,000	-
Kimukungi Girls Sec Sch	-	-	5,179,750	5,179,750	5,179,750	-
Matumbufu Sec	1,000,000	-	-	1,000,000	1,000,000	-
Mechimeru Sa School	1,600,000	-	-	1,600,000	1,600,000	-
Mungei Sec	2,400,000	-	-	2,400,000	2,400,000	-
Mwikupio Baptist	800,000	-	-	800,000	800,000	-
Nabukhisa Sec	1,700,000	-	-	1,700,000	1,700,000	-
Nanamuka Sec School	-	-	1,150,000	1,150,000	1,150,000	-
Namisi Secondary	-	-	700,000	700,000	700,000	-
Namwacha Erst Sec	1,500,000	-	-	1,500,000	1,500,000	-
Namwacha Sec Sch	-	-	700,000	700,000	700,000	-
Nzoia Industrial Boyssec	1,600,000	-	700,000	2,300,000	2,300,000	-
Sang' Alo Sec	1,600,000	-	-	1,600,000	1,600,000	-
Sikalame Sa Sec	1,000,000	-	-	1,000,000	1,000,000	-

Programme/Sub-Programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/B) and ALA	Previous Years' Outstanding Disbursements			
Siloba Secondary	1,500,000	-	-	1,500,000	1,500,000	-
Sio Sec Sch	-	5,179,750	-	5,179,750	5,179,750	-
St Johns Namasanda Secondary School	1,000,000	-	-	1,000,000		1,000,000
St Longinus Kongoli Sec	1,000,000	-	-	1,000,000	1,000,000	-
St Martins Kitinda	1,000,000	-	-	1,000,000	1,000,000	-
St Martins Mwibale	1,500,000	-	-	1,500,000	1,500,000	-
St Paticks Kimulengi	-	-	-	-	600,000	(600,000)
St. Patricks Kimukungi Girls Sec	400,000	-	-	400,000		400,000
St. Patricks Kimukungi Girls Sec	1,907,800	-	-	1,907,800	1,907,800	-
St. Teresa Sio Sec Sch	1,907,800	-	-	1,907,800	1,907,800	-
St Veronica Ranje Sec	1,000,000	-	-	1,000,000	1,000,000	-
St Veronica Sirtanyi Secondary	1,175,000	-	-	1,175,000	1,175,000	-
St Veronica Sirtanyi Secondary	750,000	-	-	750,000	750,000	-
Starlight Secondary Nabukhisa	-	-	-	-	1,700,000	(1,700,000)
Tembelela Sec School	800,000	-	-	800,000		800,000
Wacheka Sec Sch	300,000	-	-	300,000		300,000
Wamalwa Kijana Sec	1,000,000	-	-	1,000,000		1,000,000
<b>Total</b>	<b>36,740,600</b>	<b>5,179,750</b>	<b>10,129,750</b>	<b>52,050,100</b>	<b>47,350,100</b>	<b>4,700,000</b>
<b>9.0 Tertiary Institutions Projects</b>						

Programme/Sub-Programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>Total</b>	-	-	-	-	-	-
<b>10.0 Security Projects</b>						
East Bukusu Chiefs Office	300,000			300,000	300,000	-
<b>Total</b>	<b>300,000</b>	-	-	<b>300,000</b>	<b>300,000</b>	-
<b>11.0 Acquisition Of Assets</b>						
Kanduyi Office Renovation	1,917,700			1,917,700	1,917,500	200
Kanduyi Vehicle	5,544,800			5,544,800	-	5,544,800
<b>Total</b>	<b>7,462,500</b>	-	-	<b>7,462,500</b>	<b>1,917,500</b>	<b>5,545,000</b>
<b>12.0 Other Payments</b>						
<b>Total</b>						
<b>13.0 Unallocated Fund</b>						
Unapproved Projects						
Aia						
PMC Savings						
<b>Total</b>	<b>137,088,879</b>	<b>29,576,872</b>	<b>30,188,879</b>	<b>196,854,630</b>	<b>188,227,107</b>	<b>8,627,523</b>

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

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

### **12. Comparative Figures**

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

### **13. Subsequent Events**

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

***Significant Accounting Policies continued***

**14. Errors**

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

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

**15. Related Party Transactions**

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

## XII. Notes to the Financial Statements

### 1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
AIE NO. B 104719		35,000,000
AIE NO. A 823528		34,367,724
AIE NO.		2,000,000
AIE NO.		2,000,000
AIE NO.B 104929		5,000,000
AIE NO.B 124536		9,000,000
AIE NO.B 124966		12,000,000
AIE NO.B 119821		15,000,000
AIE NO.B 128111		6,900,000
AIE NO.B 128423		8,000,000
AIE NO.B 132167		6,000,000
AIE NO.B 138835		15,000,000
AIE NO.B 126130		6,000,000
AIE NO.B 126420		10,000,000
AIE NO. B 041083	29,188,879	
AIE NO. B 047450	17,088,879	
AIE NO. B 041290	45,000,000	
AIE NO. B 047710	23,000,000	
AIE NO. B 049297	10,000,000	
AIE NO. B 104322	16,000,000	
AIE NO. B 096578	26,000,000	
<b>TOTAL</b>	<b>166,277,758</b>	<b>181,267,724</b>

### 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)		
<b>Total</b>	-	-

*-Notes To the Financial Statements (Continued)*

**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		
<b>Total</b>	-	-

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,725,634	2,019,104
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	175,476	204,624
<b>Total</b>	<b>1,901,110</b>	<b>2,223,728</b>

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

*Notes To the Financial Statements (Continued)*

**5. Use Of Goods and Services**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	-	
Utilities, supplies and services	252,245	802,379
Communication, supplies and services		-
Domestic travel and subsistence		-
Printing, advertising and information supplies & services		-
Rentals of produced assets	-	-
Training expenses		260,000
Hospitality supplies and services		-
Other committee expenses	4,284,000	6,197,618
Committee allowance	6,112,405	-
Insurance costs		
Specialized materials and services	85,000	
Office and general supplies and services		-
Fuel, Oil & Lubricant	1,046,551	
Bank Service Commission & Charges	50,000	
Other operating expenses	-	
Routine maintenance – vehicles and other transport equipment	300,000	-
Routine maintenance – other assets		-
<b>Total</b>	<b>12,130,201</b>	<b>7,259,997</b>

*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)	68,239,900	51,900,000
Transfers To Secondary Schools (See Attached List)	47,250,100	69,971,072
Transfers To Tertiary Institutions (See Attached List)		
<b>Total</b>	<b>115,490,000</b>	<b>121,871,072</b>

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	6,941,713	2,434,000
Bursary – tertiary institutions (see attached list)	38,763,029	21,518,125
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	300,000	2,300,000
Sports projects (see attached list)	2,741,777	2,741,778
Environment projects (see attached list)	2,741,777	2,700,000
Emergency projects (see attached list)	5,300,000	4,979,500
<b>Total</b>	<b>56,788,296</b>	<b>36,673,403</b>

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	1,917,500	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
<b>Total</b>	<b>1,917,500</b>	<b>-</b>

*Notes To The Financial Statements (Continued)*

**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	3,000,000
ICT Hub	-	-
<b>TOTAL</b>	-	<b>3,000,000</b>

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>		
Cooperative Bank, Bgm A/c No. 01120050482500	7,627,523	29,576,872
<b>Total</b>	<b>7,627,523</b>	<b>29,576,872</b>

**10 B: Cash on Hand**

Location 1		
Location 2		
Location 3		
Other Locations ( <i>Specify</i> )		
<b>Total</b>	-	-

**11: Outstanding Imprests**

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

*Notes to the Financial Statement Continued*

**12A. Retention**

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

**12B. Gratuity**

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

**13. Balances Brought Forward**

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	29,576,872	19,337,348
Cash in hand		
Imprest		
Total	29,576,872	19,337,348

*Notes to the Financial Statement Continued*

**14. Prior Year Adjustments**

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

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

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

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

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

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

*Notes to the Financial Statements (Continued)*

**17. Other Important Disclosures**

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

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

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

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

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

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	435,815	2,503,279
Use of goods and services	106,009	5,743,053
Amounts due to other Government entities (see attached list)	6,110,000	32,279,500
Amounts due to other grants and other transfers (see attached list)	-3,569,301	19,239,920
Acquisition of assets	5,545,000	-
Other payments	-	-
Total	<b>8,627,523</b>	<b>59,765,752</b>

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	40,566,998	7,672,724
Total	<b>40,566,998</b>	<b>7,672,724</b>

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

**Annexes**

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

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

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

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

**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Compensation of employees	435,815	2,503,279	Yet to disburse funds
Use of goods & services	Use of goods & services	106,009	5,743,053	Yet to disburse funds
Amounts due to other Government entities		6,110,000	32,279,500	
Amounts due to other grants and other transfers		-3,569,301	19,239,920	
Education Bursary		5,545,000	19,239,920	
Acquisition of assets				
Others ( <i>specify</i> )				
Sub-Total				
Funds pending approval				
Grand Total		8,627,523	59,765,752	

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) 21/22
Land				
Buildings and structures	17,900,000	1,917,500	-	19,817,500
Transport equipment	4,504,865	-	-	4,504,865
Office equipment, furniture and fittings	4,161,211	-	-	4,161,211
ICT Equipment, Software and Other ICT Assets	221,150	-	-	221,150
Other Machinery and Equipment	108,000	-	-	108,000
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>26,895,226</b>	<b>1,917,500</b>	<b>-</b>	<b>28,812,726</b>

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

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	Bank Balance
					6/30/2022	6/30/2021
1	FRIENDS NAMANGA SEC. SCH	01141668228000	Co-op Bank	22/01/2016	23,572	84,837
2	KAMBA R. C. PRIMARY SCHOOL	01141535073500	Co-op Bank	25/08/2014	58,155	2,853
3	MUYAYI R. C. PRIMARY SCHOOL	01141049072000	Co-op Bank	25/08/2014	2,475	2,955
4	MWIBALE CHIEF'S OFFICE	01141669233400	Co-op Bank	02/02/2016	1,583	2,063
5	NABUTOLA F.Y.M PRIMARY SCH.	01141050154500	Co-op Bank	03/09/2014	22,808	3,688
6	KIKWECHI POLICE POST	01141668344800	Co-op Bank	11/02/2015	10,543	11,023
7	KHAKULA R.C.E.A. SEC. SCHOOL	01141426018000	Co-op Bank	03/09/2014	4,373	4,853
8	KIBABII MIXED PRIMARY SCHOOL	01141011605400	Co-op Bank	30/07/2015	7,586	8,066
9	NAKAYONJO D.E.B PRIMARY SCH.	01141536904400	Co-op Bank	28/05/2015	5,139	5,619
10	BUKEMBE S.A. SEC. SCHOOL	01141668233200	Co-op Bank	27/07/2015	1,600,063	543
11	EKITALE A.P. POST	01141668837600	Co-op Bank	31/8/2015	1,103	1,583

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	6/30/2021
13	SANG'ALO PRIMARY SCHOOL	01141669189700	Co-op Bank	28/01/2016	4,058	4,538
14	LWANDA FYM PRIMARY SCHOOL	01141669001800	Co-op Bank	08/10/2015	800,458	1,463
15	S.A. CHENGW'ALI SEC. SCHOOL	01141535146500	Co-op Bank	19/01/2016	13,340	13,820
16	LUMASA NEW PRIMARY SCHOOL	01141536543600	Co-op Bank	16/05/2014	35	35
17	KITINDA PRIMARY SCHOOL	01141050154400	Co-op Bank	08/10/2015	494,141	1,017
18	KISULUNI S.A. PRIMARY SCHOOL	01141049264000	Co-op Bank	20/05/2014	200	320
19	MUSIKOMA POLCE POST	01141291186900	Co-op Bank	17/02/2015	363	843
20	WALALA R.C. PRIMARY SCHOOL	01141290222600	Co-op Bank	19/08/2011	4,520	3,400
21	MABUUSI RCEA PRIMARY SCH.	01141049500700	Co-op Bank	12/06/2014	344	824
22	KIMUGUI FRIENDS SEC. SCHOOL	01139049923802	Co-op Bank	22/09/2008	1,620	2,100
23	BUTIELI SECONDARY SCHOOL	01141425351800	Co-op Bank	25/10/2011	1,011,301	7,551
24	SAMOYA SECONDARY SCHOOL	01141049742900	Co-op Bank	23/05/2011	734,555	2,886

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	Bank Balance
					6/30/2022	6/30/2021
25	MUNGETI SECONDARY SCHOOL	01141536224600	Co-op Bank	21/10/2014	2,343,565	3,045
26	NAMIREMBE FRIENDS PRI. SCH.	01141290672500	Co-op Bank	16/07/2014	2,333	2,813
27	SAMOYA ASST. CHIEF'S OFFICE	01141668209000	Co-op Bank	22/12/2014	395	875
28	HUTUTU S.A. PRIMARY SCHOOL	01139049373000	Co-op Bank	23/09/2008	563	1,043
29	BULONDO SECONDARY SCHOOL	01139049927802	Co-op Bank	12/09/2008	1,553	2,153
30	KANDUYI AP. CAMP	01141668619800	Co-op Bank	11/06/2015	13	13
31	SIKALAME S.A. PRIMARY SCHOOL	01141011629900	Co-op Bank	25/08/2015	61,243	1,963
32	MATUMBUFU BAPTIST GIRLS SEC. SCHOOL	01141049917600	Co-op Bank	03/06/2014	1,000,000	-
33	NAMIKELO R.C.PRIMARY SCHOOL	01141049791000	Co-op Bank	03/10/2014	7,897	98,571
34	WEKELEKHA PRIMAR SCHOOL	01141049273800	Co-op Bank	05/06/2015	613,849	1,000,049
35	ST. LONGINUS SEC. SCHOOL KONGOLI	01139049926202	Co-op Bank	25/09/2008	1,102,072	227,652
36	MABUUSI SECONDARY SCHOOL	01141425025200	Co-op Bank	06/10/2011	27,712	28,192

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	6/30/2021
37	LUYEKHE R. C. PRIMARY SCHOOL	01141049270100	Co-op Bank	28/04/2014	92,818	58,124
38	FRIENDS SEC SCHOOL NABICHAKHA	01141425094300	Co-op Bank	20/05/2014	1,116	57,896
39	KONGOLI PRY. SCHOOL	01139011592400	Co-op Bank	03/10/2008	25,187	1,031
40	DO'S OFFICE EAST BUKUSU	01141669149200	Co-op Bank	03/02/2016	503	1,463
42	SIANGWE SECONDARY SCHOOL	01139291147900	Co-op Bank	12/10/2010	2,220	2,700
43	KIMUKUNG'I R.C. PRIMARY SCH.	01141049271900	Co-op Bank	11/08/2014	141,736	1,293
44	KHAKULA R.C.E.A PRIMARY SCH.	01141425361300	Co-op Bank	07/10/2015	14,483	233
45	NALUTIRI SA PRIMARY SCHOOL	01141049265600	Co-op Bank	15/07/2011	1,520	1,000
46	MISANGA F.Y.M. PRIMARY SCH.	01141049280700	Co-op Bank	23/05/2014	91,903	44,273
47	NDENGELWA R.C. PRY. SCHOOL	01141049898200	Co-op Bank	24/06/2015	35,704	3,177
48	ST. PAULS WACHEKA ACK SEC.SC.	01141668370900	Co-op Bank	23/01/2016	364,216	64,216

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	Bank Balance 6/30/2021
49	CHEMCHE SECONDARY SCHOOL	01141535779200	Co-op Bank	03/10/2013	839,110	622,433
50	TUUTI A.P. POST	01141668372900	Co-op Bank	06/03/2015	463	463
51	KHAWELI RC. PRIMARY SCHOOL	01141668887200	Co-op Bank	28/09/2015	160,133	5,563
52	FRIENDS SANGO GIRLS SEC. SCH.	01139050129400	Co-op Bank	22/04/2009	21,618	22,098
53	WATWANG'A COG. PRIMARY SCH	01141049861600	Co-op Bank	01/10/2015	945	1,425
54	NAMWACHA POLICE POST	01141536627400	Co-op Bank	09/06/2014	2,913	3,393
55	BULONDO PRIMARY SCHOOL	01141049551500	Co-op Bank	27/09/2019	995	1,475
56	MUKHAWELI MMK TOWNSHIP PRI. SCHOOL	01141011664600	Co-op Bank	07/10/2015	49,962	150,561
57	TUNGELELE C.O.G. PRI SCHOOL	01141290170900	Co-op Bank	06/05/2014	4,128	355,622
58	NZOIA DOROFU TOWNSHIP PR. SCHOOL	01141049605200	Co-op Bank	04/10/2016	393	27,113
59	SINOKO DEB PRIMARY SCHOOL	01141669671700	Co-op Bank	28/09/2016	4,717	128,510
60	LUTUNGU CATTLE DIP	01141425361900	Co-op Bank	29/04/2015	-	-

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	Bank Balance 6/30/2021
61	KIMUGUI FYM SCHOOL	01141049807201	Co-op Bank	31/05/2017	1,318	1,798
62	SIRENDE PRIMARY SCHOOL	01141050332200	Co-op Bank	21/05/2014	103,945	104,545
63	SIRITANYI PRIMARY SCHOOL	01141049460500	Co-op Bank	06/06/2014	40,146	823
64	NAMWACHA ERSF SEC, SCHOOL	01139049928803	Co-op Bank	30/09/2008	1,575,342	121,753
65	CHEMCHE ACK PRIMARY SCHOOL	01141049281100	Co-op Bank	01/07/2014	570	1,050
66	WAMALWA KIJANA HIGH SCHOOL	01141011627100	Co-op Bank	10/11/2015	190,796	21,487
67	KIKWECHIA.C.K PRI. SCHOOL	01141049284200	Co-op Bank	29/08/2014	1,666,099	66,099
68	SIKALAME S.A. SEC. SCHOOL	01139049923402	Co-op Bank	27/09/2008	1,003,712	4,192
69	SANG'ALO POLICE POST	01141535304800	Co-op Bank	19/09/2014	983	1,463
70	MUSIKOMA R.C. PRY SCHOOL	01141011510900	Co-op Bank	19/09/2014	7,776	4,756
71	MARAKARU ACK PRIMARY SCH	01141049675000	Co-op Bank	13/08/2014	109,168	109,648
72	ST. SARAH NAMISI SEC. SCHOOL	01141669036900	Co-op Bank	05/11/2015	59,874	503

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	6/30/2021
73	FRIENDS SEC. SCHOOL BUKANANACHI	01141668364700	Co-op Bank	19/01/2016	20,451	47,885
74	MWIKHUPO BAPTIST SEC. SCH	01141536741800	Co-op Bank	03/10/2016	172,207	2,625
75	BUKEMBE AP. LINE	01141425367400	Co-op Bank	20/04/2015	9,992	10,472
76	KOMBO PRIMARY SCHOOL	01139290670600	Co-op Bank	03/08/2010	11,494	11,974
77	KANDUYI DEB PRIMARY SCH	01141290096800	Co-op Bank	16/11/2015	854,002	131,064
78	CHEMULULUCHI R.C PRI. SCHOOL	01141290180100	Co-op Bank	20/01/2016	722,167	22,647
79	SAMOYA R.C. PRIMARY SCH.	01141290066600	Co-op Bank	28/05/2015	1	1
80	SIRITANYI POLICE POST	01141668350600	Co-op Bank	17/02/2015	2,189	2,669
81	FRIENDS SEC. SCH KIMUGUI GIRLS	01141427394300	Co-op Bank	26/10/2012	18,531	280,131
82	MUSIKOMA CHIEFS OFFICE	01141427066000	Co-op Bank	17/02/2015	548	1,028
83	ST. MARYS KAMBA SEC. SCHOOL	01141536381100	Co-op Bank	07/08/2015	66,744	312,583
85	FRIENDS SEC. SCHOOL. KITALE	01141049928700	Co-op Bank	31/07/2015	24,633	25,113

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	6/30/2021
86	NDENGELWA SECONDARY SCHOOL	01139049915102	Co-op Bank	17/09/2008	4,355	6,405
87	LUTUNGU R.C. PRI. SCHOOL	01141425169600	Co-op Bank	29/11/2011	6,849	1,463
88	BUUMBA CCA PRIMARY SCHOOL	01141290080600	Co-op Bank	26/10/2012	52,342	15,442
89	BUKUSU R.C. PRIMARY SCHOOL	01141011604800	Co-op Bank	31/07/2015	763	1,243
90	MUNGETI RC. PRIMARY SCHOOL	01141049901401	Co-op Bank	05/06/2017	845	1,325
91	MALIKI PRIMARY SCHOOL	01141669952800	Co-op Bank	15/05/2017	1,123,381	3,495
92	MATUMBUFU BAPTIST PRI. SCHO.	01141427665200	Co-op Bank	22/01/2013	5,240	760
93	MUFULE FYM PRIMARY SCHOOL	01141049273700	Co-op Bank	28/09/2015	42,238	388
94	RANJE DEB PRI. SCHOOL	01141049651500	Co-op Bank	28/07/2015	399,095	3,751
95	STARLIGHT SEC. SCH. NABUKHISA	01141668896700	Co-op Bank	03/10/2015	1,204,358	15,438
96	NABUKHISA PRIMARY SCHOOL	01141536540100	Co-op Bank	15/05/2012	1,701	215,011
97	BUNGOMA DEB PRIMARY SCH.	01141049581000	Co-op Bank	20/05/2014	599,761	713,083

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	Bank Balance 6/30/2021
98	SIAKA MIXED DAY SEC. SCHOOL	01141668229700	Co-op Bank	20/01/2016	12,683	13,403
99	MWIKHUPO BAPTIST PRI. SCH	01141049674800	Co-op Bank	11/09/2014	896,029	303
100	BUKEMBE ERSF PRI. SCHOOL	01141049280100	Co-op Bank	26/08/2014	574,105	31,012
101	SANGO FYM PRIMARY SCHOOL	01141049277400	Co-op Bank	29/09/2015	1,650,778	1
102	NALUTIRI SA GIRLS SEC. SCHOOL	01141669180700	Co-op Bank	19/05/2017	129	129
103	FRIENDS SEC. SCH. MISANGA	01141011613900	Co-op Bank	29/05/2014	5,878	6,308
104	MECHIMERU CHIEFS' OFFICE	01141669297300	Co-op Bank	01/03/2016	66,422	9,785
105	BUKANANACHI FRIENDS PRI. SCH	01141049617800	Co-op Bank	12/10/2015	41,511	46
106	KISULUNI SA. SEC. SCHOOL	01141536430100	Co-op Bank	27/05/2015	199	679
107	MAOCHO PRIMARY SCHOOL	01141669585000	Co-op Bank	16/11/2016	3,240	240
108	KHAOYA PRIMARY SCHOOL	01141049135200	Co-op Bank	01/10/2015	15,552	1,233
109	KHAOYA FRIENDS SEC SCHOOL	01141783467200	Co-op Bank	01/08/2020	129,094	45,704

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	6/30/2021
110	ACK THE GOOD SHEHERD KIBABII	01141783084500	Co-op Bank	19/09/2019	2,971,550	94,839
111	MALAHA PRIMARY SCHOOLO	01141783874500	Co-op Bank	07/07/2021	135	--
113	NZOIA INDUSTRIAL PRIMARY SCHOOL	01141290238600	Co-op Bank	12/06/2019	1,690,365	1,040
114	D O;S OFFICE EAST BUKUSU	01141669149200	Co-op Bank	03/02/2016	503	1,463
115	BUNGOMA MUSLIM PRIMARY SCHOOL	01141783628700	Co-op Bank	24/04/2021	7,402	455,494
116	SANG'ALO SECONDARY SCHOOL	01141049927000	Co-op Bank	15/05/2014	1,604,093	71,073
117	ST TERESA'S SIO HIGH SCHOOO	01141536221600	Co-op Bank	02/10/2019	17,556	19,236
118	ST PATRICKS KIMKUNGI SECONDARY	01139049925202	Co-op Bank	06/10/2008	20,333	96,949
119	NZOIA SUGA GIRLS SEC SCHOOL	01141783628600	Co-op Bank	30/10/2020	846	1,326
120	ST MARTINS MWIBALE SEC SCHOOL	01139049926602	Co-op Bank	26/09/2008	353,350	1,250
121	SIANGWE RC PRIMARY SCHOOL	01141049120000	Co-op Bank	14/10/2020	220,976	19,544

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	Bank Balance
					6/30/2022	6/30/2021
122	NAMISI CEB PRIMARY SCHOOL	01141783459900	Co-op Bank	22/07/2020	327,833	975
123	KAKICHUMA RC PRIMARY SCHOOL	01141050148500	Co-op Bank	30/10/2020	45,653	27,267
124	SIAKA DEB PRIMARY SCHOOL	01141049099700	Co-op Bank	27/08/2014	90,359	4,218
125	MUPELI DEB PRIMARY SCHOOL	01141049408901	Co-op Bank	24/05/2018	449,116	205,362
127	BUNGOMA BAPTIST GIRLS HIGH SCHOOL	01141049724400	Co-op Bank	05/08/2020	1,001,495	1,975
128	ST PETERS HIGH SCHOOL MUSIMOMA	01141050223300	Co-op Bank	28/10/2020	59,885	60,365
129	MAKUTANO SA PRIMARY SCHOOL	01141783628500	Co-op Bank	29/10/2020	28,245	97,478
130	ST JOHN'S LUTUNGU SEC. SCHOOL	01141783151500	Co-op Bank	21/09/2019	470	950
131	MUKHOLI CEB PRIMARY SCHOOL	01141783024300	Co-op Bank	22/10/2019	1,495	1,975
132	BUNGOMA MUSLIM SECONDARY SCHOOL	01139050281002	Co-op Bank	13/10/2011	167,134	167,613
133	TEMBELELA SA MIXED SEC SCHOOL	01141783648500	Co-op Bank	04/12/2020	806,852	7,332

NO.	PMC	Account Number	Bank	DATE A/C OPENED	Bank Balance	
					6/30/2022	6/30/2021
134	ST JOHN THE BAPTIST NAMASANDA SEC	01141409499000	Co-op Bank	05/09/2019	548,470	1,730
135	ST VERONICA SIRTANYI SECONDARY	01141782896000	Co-op Bank	12/06/2019	595	31,075
136	ST MARY MAGDALENE NAMAMUKA SECONDARY	01141669756800	Co-op Bank	10/07/2019	40,589	7,814
137	ST MARTINS KITINDA SECONDARY	01141783059000	Co-op Bank	07/09/2019	1,066,146	491,843
138	ST MARY'S KIBABII GIRLS SECONDARY	01141049881400	Co-op Bank	30/05/2017	735	835
139	NZOIA INDUSTRIAL BOYS SEC	01141669826400	Co-op Bank	03/08/2020	1,720,750	131,893
140	KIMUKUNG'IRC PRIMARY	01141049271900	Co-op Bank	11/08/2014	141,736	1,293
142	ST VERONICA RANJE HIGH SCHOOL	01141011614600	Co-op Bank	02/09/2014	229,427	1,853
143	CARDINAL OTUNGA SECONDARY SCHOOL	01141049923600	Co-op Bank	05/08/2020	1,633,385	33,865
	<b>TOTAL</b>				<b>40,566,998</b>	<b>7,672,724</b>

### Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)						
1. Failure to Provide a Trial Balance	<p>The Fund Management did not provide a trial balance for the National Government Constituencies Development Fund - Kanduyi Constituency as at 30 June, 2020.</p> <p>In the circumstances, it is not clear how the balances in the financial statements were drawn in absence of a trial balance.</p>	<p>The trial balance is available</p> <p>Resolved</p>	Resolved							
2.Accuracy and Completeness of Financial Statement	<p>The statement of receipts and payments for the year under review reflects compensation of employees comparative amount of Kshs.1,923,933 which, according to the supporting Note 4 to the financial statements, consists of basic wages of contractual employees amount of Kshs.1,829,745 and employer contribution to NSSF figure of Kshs.94,188. However, according to the audited financial statements for 2018/2019, the entire expenditure of Kshs.1,923,933 was basic wages of contractual employees. No explanation was given for this inconsistency.</p>	<p>Basic wages include statutory deductions</p> <p>Resolved</p>	Resolved							
2.2.Use of Goods and Services	<p>Note 5 to the financial statements reflect use of goods and services figure of Kshs.9,636,143, which includes committee expenditure amount of Kshs.3,495,042 that differs with the committee expenditure figure of Kshs.5,261,399 contained in the annual expenditure returns. The resultant variance of Kshs.1,766,357 between the two sets of records was not reconciled or explained.</p> <p>Further, the following expenditure amounts totaling Kshs.5,844,101, reflected in Notes 5 to the financial statements were not supported with the respective schedules of payment details and Management did not provide explanation for not availing the schedules:</p> <table border="1"> <thead> <tr> <th>Expenditure Item</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Utilities, supplies and services</td> <td>Kshs. 394,000</td> </tr> <tr> <td>Communication, supplies and services</td> <td>435,601</td> </tr> </tbody> </table>	Expenditure Item	Amount	Utilities, supplies and services	Kshs. 394,000	Communication, supplies and services	435,601	<p>Committee expense has since been reconciled and schedules have been availed for review and perusal</p> <p>Resolved</p>	Resolved	
Expenditure Item	Amount									
Utilities, supplies and services	Kshs. 394,000									
Communication, supplies and services	435,601									

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>Domestic travel and subsistence 146,500</p> <p>Printing, advertising and information supplies &amp; services 2,000,000</p> <p>Hospitality supplies and services 761,000</p> <p>Insurance costs 412,000</p> <p>Office and general supplies and services 500,000</p> <p>Other operating expenses 450,000</p>											
<b>2.3 Other Grants and Transfers</b>	The statement of receipts and payments reflect other grants and transfers expenditure of Kshs.52,181,969 which excludes a payment of Kshs.1,000,000 for other projects recorded in the expenditure returns under economic item 2640508.	The expenditure has been included correctly	Resolved									
<b>2.4 Acquisition of Assets</b>	The statement of receipts and payments reflects acquisition of assets figure of Kshs.1,000,000 which, according to Note 8 to the financial statements, relates to refurbishment of buildings. However, the relevant supporting documents, including a schedule of transaction details and procurement documents were not availed for audit verification. Further, the expenditure could not be traced in the annual expenditure returns availed for audit. In addition, the figure of Kshs.1,000,000 is not included in the summary of fixed asset register at annex 4 as addition during the year. No reasons were given for these anomalies.	Documents have been availed for correction of anomalies.	Resolved									
<b>2.5 Cash and Cash Equivalents</b>	The statement of assets and liabilities as at 30 June, 2020 reflects cash and cash equivalents balance of Kshs.19,337,348 which was arrived at after deducting unrepresented cheques totalling Kshs.8,530,154, shown in the bank reconciliation statement for June, 2020. However, this figure of Kshs.8,530,154 differs with Kshs.1,139,686 reflected in the schedule of unrepresented cheques attached to the bank reconciliation statement by unreconciled variance of Kshs.7,390,468. Further, the unrepresented cheques of Kshs.1,139,686 were all stale as at 30 June, 2020 and no explanation was provided for not reversing them in the cashbook before preparing the reconciliation statement.	Stale cheques have since been replaced and all the figure reconciled,	Resolved									
<b>2.6. Variances in Comparative Amounts</b>	We noted the following variances in comparative amounts between the financial statements for the year under review and the audited financial statements for the previous year, which were not reconciled by Management.	Figures have been reconciled	Resolved									
	<table border="1"> <thead> <tr> <th>Item</th> <th>2018/2019 amount as per</th> <th>2018/2019 amount as per</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item	2018/2019 amount as per	2018/2019 amount as per	Variance							
Item	2018/2019 amount as per	2018/2019 amount as per	Variance									

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)
	FSs 2019/2020	FSs for 2018/2019	FSs for 2018/2019	for 2019			
	Kshs.	Kshs.	Kshs.	Kshs.			
<b>Use of goods and services</b>							
Committee expenses	2,073,500	2,300,000		(226,500)			
Insurance costs	438,000	-		438,000			
Office and general supplies and services	531,700	743,200		(211,500)			
Other operating expenses	464,432	864,432		(400,000)			
Routine maintenance - vehicles and other transport equipment	875,000	-		875,000			
Routine maintenance - other assets	-	475,000		(475,000)			
<b>Unutilized funds</b>				-			
Amount due to other grants and transfers	18,964,522	14,964,522		4,000,000			
<b>PMC bank balances</b>							
Total figure	1,018,464	274,811		743,653			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																												
2.7 Statement of Cash Flows	<p>The statement of cash flows for the year ended 30 June, 2020 reflects comparative figures for 2018-2019 which do not agree with the previous year's audited financial statements. The amounts actually belong to the year 2017-2018 as reported in the financial statements of that year. Management did not provide reason for the anomaly.</p>	This was typing error which has since been corrected.	Resolved																													
2.8 Summary Statement of Appropriation	<p>The summary statement of appropriation: recurrent and development combined reflects original budget, adjustments and final budget total amounts which differ with corresponding amounts shown in the budget document availed for audit as follows:</p> <table border="1" data-bbox="630 952 805 1792"> <thead> <tr> <th>Description</th> <th>Amount as per financial statement Kshs.</th> <th>Amount as per budget document Kshs.</th> <th>Variance Kshs.</th> </tr> </thead> <tbody> <tr> <td>Original budget</td> <td>137,367,724</td> <td>139,367,724</td> <td>(2,000,000)</td> </tr> <tr> <td>Adjustment</td> <td>61,011,563</td> <td>51,826,520</td> <td>9,185,043</td> </tr> </tbody> </table> <p>Further, analysis of the budget document per economic items reflected in the financial statement revealed the following variances with the statement:</p> <p>a) The statement reflects other grants and transfers original budget figure of Kshs.46,704,629 which disagrees with Kshs.48,704,629 shown in the budget document by unreconciled variance of Kshs.2,000,000.</p> <p>b) The statement also reflects adjustments figures which differ with the budget documents as follows:</p> <table border="1" data-bbox="1085 974 1396 1792"> <thead> <tr> <th>Item</th> <th>Amount as per Financial Statement Kshs.</th> <th>Amount as per Budget Document Kshs.</th> <th>Variance Kshs.</th> </tr> </thead> <tbody> <tr> <td>Compensation of Employees</td> <td>2,999,841</td> <td>2,085,019</td> <td>914,822</td> </tr> <tr> <td>Use of Goods and Services</td> <td>2,021,368</td> <td>1,857,833</td> <td>163,535</td> </tr> <tr> <td>Transfers to Other Government</td> <td>40,500,000</td> <td>39,500,000</td> <td>1,000,000</td> </tr> </tbody> </table>	Description	Amount as per financial statement Kshs.	Amount as per budget document Kshs.	Variance Kshs.	Original budget	137,367,724	139,367,724	(2,000,000)	Adjustment	61,011,563	51,826,520	9,185,043	Item	Amount as per Financial Statement Kshs.	Amount as per Budget Document Kshs.	Variance Kshs.	Compensation of Employees	2,999,841	2,085,019	914,822	Use of Goods and Services	2,021,368	1,857,833	163,535	Transfers to Other Government	40,500,000	39,500,000	1,000,000	The Financial stated has since been corrected to reflect the correct figures.	Resolved	
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<b>2.9 PMC Bank Balances</b>	<p>As disclosed in Note 17.4 and annex 4 - PMC bank account balances - to the financial statements, the Fund had forty-eight (48) PMC bank balances totaling Kshs.222,818 as at 30 June, 2020. However, the relevant certificates of bank balances from the respective banks were not availed for audit verification.</p> <p>In view of the foregoing, the accuracy and completeness of financial statements could not be confirmed.</p>	Statements of bank balance availed	Resolved																																																	
<b>3. Transfers to Other Government Units</b>	Included in the transfers to other government units figure of Kshs.39,500,000 reflected in the statement of receipts and payments for the year under review are expenditures on four projects totaling Kshs.3,700,000, which were not properly accounted for as highlighted below:																																																			
<b>3.1. Erection and</b>		The pmc has since accounted for the funds disbursed to them	Resolved																																																	

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<p><b>Completion of Administration Block at Friend Secondary School Misanga</b></p>	<p>In the previous years, Misinga Secondary School undertook to erect and complete administration block at a cost of Kshs.19,500,000 and the contract was awarded to a local company. As at 30 June, 2020, Kshs.5,300,000 had been spent on the project, with Kshs.2,300,000 being paid to the school during the year under review. However, field verification revealed the following audit issues:</p> <ol style="list-style-type: none"> <li>The Project Management Committee (PMC) did not provide payment certificates, inspection report from the Works Department and procurement documents, including tender opening minutes, evaluation minutes, professional opinion, acceptance of ward, winning bid and contract agreement between PMC and the contractor for audit verification.</li> <li>The PMC varied the contract sum to Kshs. 20,500,000, but minutes of the meeting that did the variation were not availed for audit verification.</li> <li>The material purchased by the PMC for the project were not taken on charge.</li> <li>Some materials were on site, but the contractor was not on site and the PMC did not provide an explanation why the contractor had abandoned the work.</li> <li>Finally, floor tiling and widow fixing had not been completed.</li> </ol>			
<p><b>3.2. Construction of Two Classrooms at Kikwechi Primary School</b></p>	<p>During the year under review, Kikwechi Primary School was given Kshs.700,000, being part payment for the construction of two classrooms and the PMC awarded the contract to a local company at a contract sum of Kshs.1,400,000. However, the following documents were not availed for audit verification: inspection report, payment certificates from the Works Department, the winning bid, tender opening minutes, evaluation minutes, professional opinion, acceptance of award letter, contract agreement, bills of quantities, design and drawing of the classrooms.</p>	<p>Documents have availed to correct the anomaly.</p>	<p>Resolved</p>	
<p><b>3.3 Completion of Administration Block at Bukusu Primary School</b></p>	<p>During the year under review, Bukusu Primary School was given Kshs.700,000 for completion of administration block. The contract was awarded to a local sum at a contract sum of Kshs.700,000. A site visit in February, 2021 revealed that although the administration block was compete, it had not been use since 7</p>	<p>The Financial statement has been reorganized to reflect true</p>	<p>Resolved</p>	

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)
	October, 2019. In addition, the windows had been vandalized. It was not explained why the administration block was not in use.	document.		
4. Presentation of Financial Statements	<p>In view of the foregoing, the Fund may not have received value for money in the expenditure of Kshs.3,700,000 on the three projects.</p> <p>The financial statements submitted for audit contains the following presentational and disclosure issues which are not in accordance with International Public Sector Accounting Standards (Cash Basis) framework recommended by the Public Sector Accounting Standards Board (PSASB):</p> <ol style="list-style-type: none"> <li>Part I of the reports and financial statements is titled "Key Constituency Information and Management" instead of "Key National Government Constituencies Development Fund - Kanduyi Constituency Information and Management"</li> <li>Part V reads "Statement of Entity Management Responsibilities" instead of "Statement of National Government Constituency Development Fund - Kanduyi Constituency Management Responsibilities".</li> <li>The reports and financial statements do not have a page reserved for the report of the Auditor-General, contrary to the recommendation of the reporting template.</li> <li>The statement of cash flows, summary statement of appropriation: recurrent and development combined, unutilized funds schedule at annex 3 and Project Management Committee (PMC) bank balances schedule at annex 4 to the financial statements do not disclose the reporting currency.</li> <li>Although the financial statements indicate in the reporting currency paragraph 3, under significant accounting policies, that all values reported have been rounded off to the nearest shilling, the amounts in budget execution by programmes and sub-programmes and PMC bank balances schedule at annex 4 were not rounded off. Further, the amounts in the statement of receipts and payments and statement of assets and liabilities were not properly aligned (to the right of respective cells) making their readability difficult.</li> <li>The summary statement of appropriation: recurrent and development</li> </ol>	<p>The financial statements have been corrected to comply with International Public Sector Accounting Standards (Cash Basis) framework recommended by the Public Sector Accounting Standards Board (PSASB):</p>		

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>combined does not have a row for surplus/deficit as required by Template.</p> <p>g) The progress on follow up of auditor recommendations report appears as an annex to the financial statements, contrary to the reporting Template which requires the report to be a part of the reports and financial statements, just like statement of receipts and payments, statement of management responsibilities, etc. Further, the report is not signed by the Fund Account Manager and Sub-County Accountant as required by the Template. In addition, the report does not include issues raised in the audit report for the year ended 30 June 2019.</p> <p>h) The financial statements include several notes, annexes and line items with nil balances (no amounts) in both the year under review and the previous year, casting doubt as to the purpose of their inclusion.</p> <p>i) In Notes 6 and 7 to the financial statements, the reader is asked to “see attached list” in respect of transfers to primary and secondary schools, bursaries to secondary schools and tertiary institutions, and security, sports, environment and emergency projects. However, the lists referred to do not actually exist in the financial statements.</p> <p>Consequently, the financial statements did not fully comply with IPSAS (Cash Basis) accounting framework recommended by the Public Sector Accounting Standards Board (PSASB).</p>			
<p><b>Other matter</b></p> <p><b>1. Undisbursed Funds by the CDF Board</b></p>	<p>The statement of receipts and payments for the year under review reflects transfers from CDF Board of Kshs.124,011,563, compared to the approved budget allocation figure of Kshs.137,367,724, resulting in a deficit of Kshs.13,356,161. Further, this amount of Kshs.124,011,563 excludes an amount of Kshs.64,791,628 that has accumulated since the year 2016/2017, which ought to have been received from the NGCDF Board.</p> <p>The low disbursement of funds by the Board may affect ability of the Kanduyi Constituency Development Fund to provide required services to its constituents.</p>	<p>The board has since improved on disbursement.</p>	<p>Resolved</p>	