

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY

DATE: 15 AUG 2023

OF **TUESDAY**

TABLED BY: *Hon. Kimani Ichungu, MP  
Leader, Majority Party*

CLERK OF THE TABLE: *Inzofu Mwale*

**THE AUDITOR-GENERAL**

PARLIAMENT  
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**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND - KURIA WEST  
CONSTITUENCY**

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



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**KURIA WEST CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

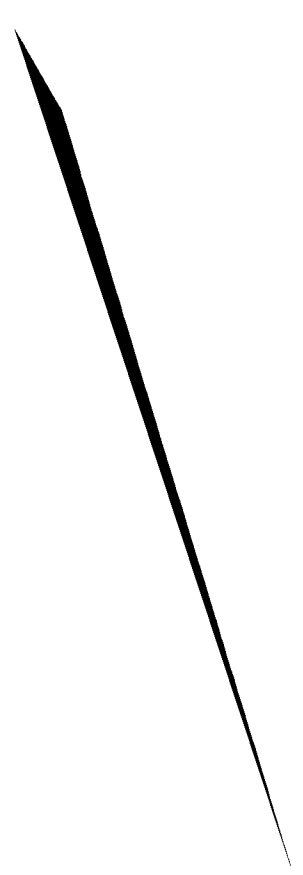
**REPORTS AND FINANCIAL STATEMENTS**

**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  
Sector Accounting Standards (IPSAS)

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

### **(a) Background information**

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

### **Mandate**

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

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

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service

4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

**Functions of NG-CDF Committee**

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

**(b) Key Management**

The Kuria West Constituency NGCDF day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Jackson k Too Fund Account Manager
2.	Sub-County Accountant	Daniel Atuta
3.	Chairman NGCDFC	James Robi
4.	Member NGCDFC	Christine Nchama

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 263-40413  
Kehancha/Migori Road  
Kehancha

**(f) Kuria West Constituency NGCDF Contacts**

Telephone: (254) 724615345  
E-mail: [jackson@ngcdf.go.ke](mailto:jackson@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) Kuria West Constituency NGCDF Bankers**

Kenya Commercial Bank  
Isibania  
P.o Box 134 40414  
Isibania

**(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



*Major (Rtd) James Robi Wambura*

On receipt of the above allocations, Kuria West National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. It is noteworthy that during the FY 2021/2022, we received 90.44% of the normal Constituency funding equivalent to Kshs 123,988,879 and these funds were then disbursed to Administration Vote, Monitoring and Evaluation Vote, Bursary Vote And earmarked projects.

The constituency also received roll over funds for financial year 2020/2021 of ksh. 45,688,879

### **Sector Prioritization**

During the year, a total of Kshs 72,700,000 was allocated and disbursed as transfers to other Government Units which consist of transfers to primary schools, secondary schools and tertiary institutions.

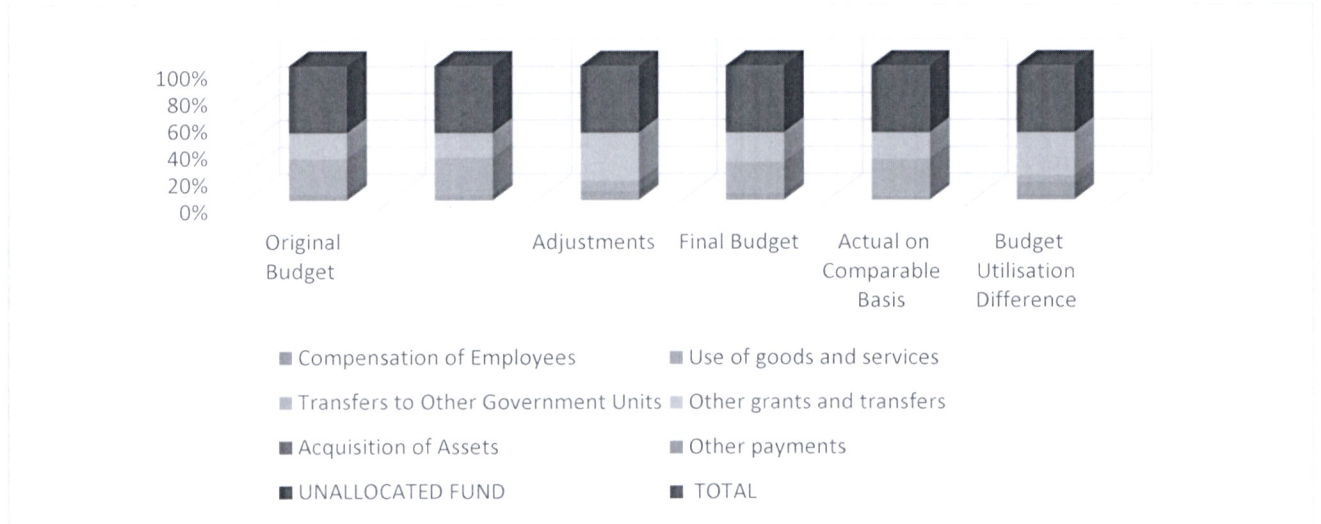
The funding consisted of Kshs 52,050,880 allocated and disbursed to other grants and transfers which consists of Bursary, sports, environment and emergency. The constituency expects ksh 13,100,000 from the NG-CDF Board for financial year 2021/2022.

### **Achievements and Major Undertakings**

During the year, the Committee disbursed a total of Kshs 32,000,000.00 as bursary to needy students in secondary, tertiary institutions and this benefitted a total of 3500 students. Major physical facilities funded are infrastructure such as classrooms, administration blocks, laboratories, dormitories, toilets and drilling of water for schools. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families.

The projects undertaken were done to completion

**Budgetary Appropriations**



During the financial year 2021/2022, the overall budget utilization stood at 94.8% based on the funds received. This was achieved due to expeditious disbursement of funds received to earmarked projects by the NGCDF Committee.

I wish to sincerely thank the NGCDF Committee, Staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions to even perform better and attain better assessments in its performance targets for FY 2021/2022.



**NYAMAHARAGA MIXED SEC SCHOOL**

**Challenges**

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2021/2022. These encompass, inadequate record keeping by project management committees, failure by some project management committees

to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management.

To mitigate the above, the committee during the year 2021/2022 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2021/2022.



.....  
Major (Rtd) James Robi Wambura  
CHAIRMAN NGCDF COMMITTEE

### III. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/22

#### Introduction

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

The key development objectives of Kuria West *Constituency 2018-2022* plan are to:  
*(Enumerate all the objectives of the constituency as per the Strategic Plan)*

#### Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels.	In FY 21/22 -we increased number of classrooms by 15 new, constructed 5 new toilets to completion, 3 dormitories, 5 laboratories in various schools,- Bursary; 3200 beneficiaries that has enhanced learning process.
Security	To enhance security to the society	Improve peace and unity to community in various wards within the sub county	Number of usable physical infrastructure built in locations, sub locations and police stations	In FY 2021/22 We renovated and completed 12 chiefs/asst chief office and 1 ongoing 5 police post/station
Environment	To enhance environmental health and sanitation	Improve sanitation to the public	Number of sanitation facilities built in primary and secondary Number of trees.	In FY 2021/22 Construction of 4 door pit latrine at Rongabi primary

*Kuria West Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

Sports and empowerment	To enhance empowerment within the constituency	Number of youths team benefiting from the sport programme	Number of youth groups benefiting from the sports programme	The youth league was not held due to delay of funds and setting in of elections
Disaster Management	To reduce the impact of disaster risks	To build community resilience to disaster risks	Strengthen disaster responsiveness and management.	Sensitized and capacity build project management committee on disaster Reponses and management during project implementation.

#### IV. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kuria west 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 Kuria West NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kuria West 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

Environment Policy and Action Plan Protection of the environment in which we live and work is a piece of Kuria West NG-CDFC initiatives Care for the environment is one of our key duties and a significant angle in the manner by which we complete our tasks.

Our Environmental Strategy In this approach proclamation Kuria West NG-CDFC focuses on:

- Consent to all applicable natural enactment, guidelines and affirmed codes of training

- securing the environment by endeavouring to forestall and limit our commitment to contamination of land, air, and water
- Looking to downplay wastage and augment the productive utilization of materials and assets
- Overseeing and discarding all wastage in a mindful way;
- Providing training to our NG-CDFC and staff so we as a whole work as per this and inside a naturally mindful culture
- Building up our administration procedures to guarantee that natural elements are considered during arranging and execution
- Observing and persistently improving our natural execution.
- Trying to use our ecological effect by urging partners to improve their natural execution

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Kuria West 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. Kuria West 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-**

Kuria West 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-

Kuria West 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.

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



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**Name: Jackson K Too**

**Fund Account Manager**

## V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Kuria West 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-Kuria West 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- Kuria West Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Kuria west 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- Kuria West Constituency financial statements were approved and signed by the Accounting Officer on 11 May, 2023.

  
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**Name: Major James Robi Wambura**

**Chairman – NGCDF Committee**

  
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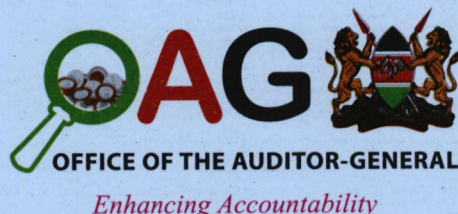
**Name: Jackson K Too**

**Fund Account Manager**

VI. REPORT OF THE AUDITOR-GENERAL ON THE NGCDF- KURIA WEST CONSTITUENC

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KURIA WEST 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**

#### **Adverse Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kuria West Constituency set out on pages 1 to 20,

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

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the National Government Constituencies Development Fund - Kuria West 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

## **Basis for Adverse Opinion**

### **1.0 Use of Goods and Services**

The statement of receipts and payments, and as disclosed in Note 4 to the financial statements, reflects use of goods and services expenditure of Kshs.9,229,028. Review of the documents in respect of the expenditure revealed the following anomalies:

#### **1.1 Unsupported Domestic Travel and Subsistence Allowances**

The use of goods and services expenditure includes domestic travel and subsistence allowances amounting to Kshs.891,200, out of which, an amount of Kshs.124,000 was not supported by payment vouchers, invoices and sales receipts among others. In addition, payment vouchers submitted in support of expenditure of Kshs.767,200 were photocopies whose authenticity could not be verified and were not authorized by the Accounting Officer.

In the circumstances, the validity, accuracy and completeness of the domestic travel and subsistence allowance expenditure of Kshs.891,200 could not be confirmed.

#### **1.2 Unsupported Training Expenses**

Note 4 to the financial statements reflects training expenses amounting to Kshs.946,660 incurred on staff and Committee Members of the Fund. However, the supporting schedule provided for audit review reflected an expenditure of Kshs.1,013,488, resulting in an unexplained variance of Kshs.66,828. In addition, other supporting documents such as training needs assessment report, approved training plan, invoices, receipts, local service orders and acknowledgement receipts by institutions offering the trainings were not provided for audit review.

In the circumstances, the accuracy and completeness of training expenditure of Kshs.946,660 could not be confirmed.

### **1.3 Unsupported and Unauthorized Committee Expenses**

The use of goods and services expenditure includes other committee expenses amounting to Kshs.4,110,568 which differs with the supporting schedule total of Kshs.3,967,300, resulting to an unexplained variance of Kshs.143,268. In addition, payment vouchers for the expenditure were not authorized by the Accounting Officer.

In the circumstances, the validity, accuracy and completeness of the committee expenses of Kshs.4,110,568 could not be confirmed.

### **1.4 Unsupported Committee Allowances**

The use of goods and services balance of Kshs.9,229,028 includes committee allowances amounting to Kshs.1,698,200 as disclosed in Note 4 to the financial statements. However, payment vouchers provided for audit review in respect of expenditure totalling to Kshs.996,200 were photocopies and lacked supporting documents and attachments.

In the circumstances, the authenticity and completeness of committee allowances of Kshs.996,200 could not be confirmed.

### **2.0 Unsupported Bursaries Expenditure**

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.79,695,700 which, as disclosed in Note 7 to the financial Statements, includes bursary disbursements of Kshs.60,795,700 comprising of Kshs.39,430,027 and Kshs.21,187,000 to secondary schools and tertiary institutions respectively. Review of records provided for audit revealed that bursaries amounting to Kshs.5,387,700 were awarded to 442 secondary schools students and 103 tertiary institutions students. However, the students' admission or registration numbers confirming admission to the institutions were not indicated in the disbursement schedules.

In the circumstances, the accuracy and completeness of the bursary expenditure of Kshs.5,387,700 could not be confirmed.

### **3.0 Unsupported PMC Bank balances**

The Project Management Committee (PMC) bank balances schedule in Annex 5 to the financial statements reflects bank balances totalling to Kshs.14,391,169. However, the supporting certificates of bank balances and bank statements for the accounts were not provided for audit review.

In the circumstance, the accuracy and completeness of the PMC bank balances of Kshs.14,391,169 as at 30 June, 2022 could not be confirmed.

### **4.0 Undisclosed and Obsolete Assets in the Summary of Fixed Asset Register**

The summary of fixed asset register disclosed in Annex 2 to the financial statements reflects a balance of Kshs.5,888,697, while the fixed asset register provided for audit revealed assets with a historical cost Kshs.6,175,197, resulting in an unexplained variance of Kshs.286,500.

In addition, the asset register includes thirteen (13) transport and other equipment valued at Kshs.5,266,900 which were not in use as they were unserviceable. Part of the unserviceable assets were donated to the Fund and had not been valued. Further, Management had not initiated the process of disposal of the obsolete assets, except for one motor vehicle.

In the circumstances, the accuracy and completeness of the assets balance of Kshs.5,888,697 as at 30 June, 2022 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 - Kuria West 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 adverse opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget of Kshs.259,343,457 and actual on comparable basis of Kshs.238,343,457, resulting in an underfunding of Kshs.20,600,000 or 8% of the budget. Similarly, the statement reflects final expenditure budget of Kshs.259,343,457 and actual expenditure on comparable basis of Kshs.204,107,724, resulting to under expenditure of Kshs.55,235,733 or 21 % of the budget. The underfunding and under-expenditure adversely affected the Fund's planned activities and delivery of services to the residents of Kuria West Constituency.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1.0 Unapproved Reallocation of Funds**

During the year under review, an amount of Kshs.7,500,000 allocated for purchase of a motor vehicle in the previous year was not approved by the Board contrary to Section

6(1) of the National Government Constituencies Development Fund Act, 2015 which provides that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

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

## **2.0 Transfers to Other Government Units**

The statement of receipts and payments reflect transfers to other government units amounting to Kshs.112,700,000. Review of the expenditure and physical inspection of the projects revealed the following anomalies:

### **2.1 Poor Workmanship**

Physical verification of projects revealed poor workmanship and procurement anomalies as detailed below;

- i. An amount of Kshs.7,400,000 was incurred on completion of a tuition block at Nyamaharaga PAG Primary School. The scope of works included construction of a two-storey building of eight classrooms and two offices on top of an existing building undertaken by a local contractor at a contract sum of Kshs.7,400,000 which was paid in full. However, field inspection carried out on 21 March, 2023 revealed that the newly constructed building was in a deplorable state with chipped off and cracked floors, poorly done painting, poorly fitted and dangling doors and unsafe staircase all indicating poor workmanship. In addition, the tender evaluation report, professional opinion and contract agreements were not provided for audit review.
- ii. An expenditure of Kshs.1,000,000 was incurred on renovation of six (6) classrooms at Nyamaharaga Mixed Primary School. However, audit inspection on 21 March, 2023 revealed that the floors had chipped off, painting was substandard and plastering around the door frame was done poorly. In addition, the project was not branded with the Constituency Development Fund logo and the year when the activities were approved and budgeted for implementation in line with Regulation 11(1)(cc) of the National Government Constituencies Development Regulations (2016) which states that the functions of a Constituency Committee should ensure projects are labelled in accordance with the guidelines issued by the Board. Further, one classroom had not been renovated.

In the circumstances, value for money for the expenditure of Kshs.8,400,000 could not be confirmed and the benefits expected from the project may not be realized. In addition. Management was also in breach of the law.

### **2.2 Projects Executed Without Approved Procurement Plan**

The transfers to other Government units amount of Kshs.112,700,000 includes an amount of Kshs.42,800,000 transferred to secondary schools for implementation of projects. However, the Management implemented the projects without an approved Procurement Plan, contrary to Regulation 25(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee

shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget.

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

### **2.3 Delayed Completion of Jointly Funded Projects**

The transfers to other Government units amount of Kshs.112,700,000 includes transfers to secondary schools of Kshs.42,800,000, out of which, Kshs.4,000,000 was in respect of two (2) projects jointly implemented by the Fund and the Ministry of Education comprising completion of a laboratory at Kugitura Mixed Secondary School and construction of first floor of a storey tuition block of 4 classrooms at St. Mary's Mabera Girls with a funding of Kshs.1,000,000 and Kshs.3,000,000 respectively by the fund while Ministry of Education funded the remaining amount. However, the agreements and relevant documents specifying the units that were to be financed by the Ministry of Education and those that were to be done by the Fund were not provided for audit review. In addition, field inspection on 21 March, 2023 revealed that both projects were not complete.

In the circumstances, same projects may be double funded by the Ministry of Education and the Fund. In addition, value for money of the expenditure of Kshs.4,000,000 could not be confirmed, and the expected benefits from the projects may not be realized in a timely manner.

### **2.4 Unsupported Procurement in Construction of Education Office**

The transfers to other government units includes Kshs.12,000,000 transferred to tertiary institutions for construction of the Mabera Sub-County Education Office. However, review of procurement and other records relating to the project revealed the following anomalies:

- i. The procurement plan proposing the procurement method and the planned dates for procurement of works and awarding of contracts were not provided for audit review. This was contrary to Regulation 25(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget.
- ii. The tender evaluation report, in line with the provisions of Section 46(4b) of the Public Procurement and Asset Disposals Act, 2015 which provides that the Ad Hoc Evaluation Committee shall advise on the evaluation of the tender documents and give a recommendation on the same to the committee within a reasonable time, was not provided for audit review.
- iii. The professional opinion was not provided for audit review as required by Section 84 (1) of the Public Procurement and Asset Disposal Act, 2015 which provides that the Head of Procurement Function of a procuring entity shall, alongside the report to the Evaluation Committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the Accounting Officer on the procurement or asset disposal proceedings.

In the circumstances, the fairness of the procurement process and value for money for the expenditure of Kshs.12,000,000 could not be confirmed. Management was also in breach of the law.

### **3.0 Irregular Use of Emergency Funds**

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.79,695,700 which includes Kshs.6,700,000 incurred on emergency projects. However, no evidence was provided for audit to indicate that the use of the emergency reserves was reported to the Constituency Committee Board within 30 days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

Further, Kshs.5,200,000 was utilized for purchase and supply of lockers and chairs for the four (4) secondary schools and one (1) primary school. However, review of the expenditure revealed following anomalies:

- i. Justification for categorizing the expenditure as an emergency was not provided for audit, contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015, which requires that emergency funds be utilized only for urgent and unforeseen need for expenditure which cannot be delayed.
- ii. Requisitions from the affected schools indicated the need for emergency expenditure, requisite procurement documents such as evaluation reports, professional opinions and contract agreements were not provided for audit. It was also noted that all the contracts for the supply of chairs and lockers for the various schools were awarded to one supplier without any justification.
- iii. An audit inspection carried out on 21 March, 2023 at Nyabokarange Primary School revealed that the lockers and chairs bought in exceeded the school's needs and therefore, were being stored at the school store. In addition, they were not labelled.

In the circumstances, Management was in breach of the law and value for money of the expenditure of Kshs.5,200,000 could not be confirmed.

### **4.0 Unimplemented and Ongoing Projects**

Review of the approved list of projects and Project Implementation Status Report for the Fund revealed that seven (7) projects which had been allocated a total of Kshs.12,300,000 were not implemented, while five (5) projects with total allocation of Kshs.32,800,000 were ongoing as at 30 June, 2022. No explanation was provided for slow implementation of the projects.

In the circumstances, the expected benefits from the projects may not be realized.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Failure to Authorize Payment Vouchers**

Several payment vouchers for the expenditures incurred on compensation of employees and use of goods and services during the year under review did not have signature and date for authorization by the Fund Account Manager. Further, the supporting schedule of employees did not bear requisite approval.

In the circumstances, the effectiveness of internal controls over processing of payments 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 controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**01 August, 2023**

*Kuria West 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**

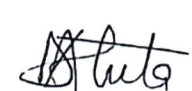
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	169,677,759	160,767,724
Other receipts	2	-	135,096
<b>TOTAL RECEIPTS</b>		<b>169,677,759</b>	<b>160,902,820</b>
<b>PAYMENTS</b>			
Compensation of employees	3	2,482,996	4,311,129
Use of goods and services	4	9,229,028	8,046,329
Transfers to other Government units	5	112,700,000	58,200,000
Other grants and transfers	6	79,695,700	47,662,742
<b>TOTAL PAYMENTS</b>		<b>204,107,724</b>	<b>118,220,200</b>
<b>SURPLUS/DEFICIT</b>		<b>(34,429,966)</b>	<b>42,682,620</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 11 May, 2023 and signed by:


  
Fund Account Manager

Name: Jackson K Too

  
National Sub-County  
Accountant

Name: Daniel Atuta

ICPAK M/No:

  
Chairman NG-CDF  
Committee

Name: Major (rtd) James Robi  
Wambura

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE, 2022

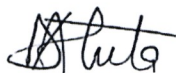
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents			
Bank balances ( as per the cash book)	7	34,635,734	69,065,698
<b>Total cash and cash equivalents</b>		<b>34,635,734</b>	<b>69,065,698</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>34,635,734</b>	<b>69,065,698</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1 <sup>st</sup> July 2021	8	69,065,699	26,383,079
Surplus/Deficit for the year		(34,429,966)	42,682,620
<b>NET FINANCIAL POSITION</b>		<b>34,635,734</b>	<b>69,065,699</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 11 May, 2023 and signed by:


  
Fund Account Manager

Name: Jackson K Too

  
National Sub-County  
Accountant

Name: Daniel Atuta

ICPAK M/No:

  
Chairman NG-CDF  
Committee

Name: Major (rtd) James Robi  
Wambura

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

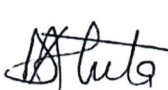
	Notes	2021-2022	2020 - 2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	169,677,759	160,767,724
Other receipts	2		135,096
<b>Total receipts</b>		<b>169,677,759</b>	<b>160,902,820</b>
<b>Payments for operating activities</b>			
Compensation of employees	3	2,482,996	4,311,129
Use of goods and services	4	9,229,028	8,046,329
Transfers to other government units	5	112,700,000	58,200,000
Other grants and transfers	6	79,695,700	47,662,742
<b>Total payments</b>		<b>204,107,724</b>	<b>118,220,200</b>
<b>Total receipts less total payments</b>		<b>(34,429,966)</b>	<b>42,682,620</b>
<b>Net cash flow from operating activities</b>		<b>(34,429,966)</b>	<b>42,682,620</b>
Net increase in cash and cash equivalent		(34,429,966)	42,682,620
<b>Cash and cash equivalent at start of the year</b>	7	<b>69,065,699</b>	<b>26,383,079</b>
<b>Cash and cash equivalent at end of the year</b>	7	<b>34,635,733</b>	<b>69,065,699</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 11 May, 2023 and signed by:


  
Fund Account Manager

Name: Jackson K Too

  
National Sub-County  
Accountant

Name: Daniel Atuta

ICPAK M/No:

  
Chairman NG-CDF  
Committee

Name: Major (rtd) James Robi  
Wambura

*Kuria West Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30TH JUNE 2022**

Receipt/Expense Item	Original Budget	Adjustments		Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
	a	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>RECEIPTS</b>							
Transfers from NG-CDF Board	137,088,879	69,065,699	53,188,879	259,343,457	238,743,457	20,600,000	92%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>69,065,699</b>	<b>53,188,879</b>	<b>259,343,457</b>	<b>238,743,457</b>	<b>20,600,000</b>	<b>92%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,442,063	1,613,090	1,322,196	6,377,349	2,482,996	3,894,353	39%
Use of goods and services	8,895,936	4,108,318	4,957,170	17,961,424	9,229,028	8,732,396	51%
Transfers to Other Government Units	72,700,000	38,000,000	7,000,000	117,700,000	112,700,000	5,000,000	96%
Other grants and transfers	52,050,880	25,344,291	32,409,513	109,804,684	79,695,700	30,108,984	73%
unapproved project – motor vehicle	-	-	7,500,000	7,500,000	-	-	
<b>TOTAL</b>	<b>137,088,879</b>	<b>69,065,699</b>	<b>53,188,879</b>	<b>259,343,457</b>	<b>204,107,724</b>	<b>55,235,733</b>	<b>79%</b>

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

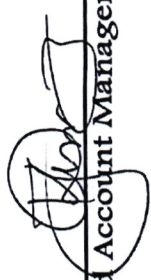


**Explanatory Notes .**

- (a) Under-expenditure in compensation of employees by 61% was due to non-receipt of all the budgeted funds
- (b) Under-expenditure in use of goods and services by 49% was due to non-receipt of all the budgeted funds
- (c) Under-expenditure in other grants and transfers by 27% was due to non-receipt of all the budgeted funds
- (d) The total actual receipts of Kshs.238,743,457 differs with Kshs.169,677,759 reflected in the statement of receipts and payments by Kshs.69,065,698, being the opening cash and cash equivalents balance also included in the final receipts budget figure.

*Kuria West Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount (Kshs)
Budget utilisation difference totals	55,235,733
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	20,600,000
Cash and Cash Equivalents at the end of the FY 2021/2022	34,635,733

The Constituency financial statements were approved on 11 May, 2023 and signed by:

 Fund Account Manager	 National Sub-County Accountant	 Chairman NG-CDF Committee
Name: Jackson K Too	Name: Daniel Atuta ICPAK M/No:	Name: Major (rtd) James Robi Wambura

*Kuria West Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**XI. BUDGET EXECUTION BY SECTORS AND PROJECTS FOR THE YEAR ENDED 30TH JUNE 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022 Kshs	Adjustments(b)		Final Budget c = (a+b) 2021/2022 Kshs	Actual on comparable basis (d) 2021/2022 Kshs	Budget utilization difference (e = c-d) Kshs
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,442,063	1,613,090.00	1,322,196	6,377,349	2,482,996.00	3,894,353
1.2 Committee allowances	3,200,000	1,322,196.00	3,600,453	8,122,649	3,033,093.00	5,089,556
1.3 Use of goods and services	1,583,269		597,693	2,180,962	1,583,269.00	597,693
<b>Total</b>	<b>8,225,333</b>	<b>2,935,286</b>	<b>5,520,342</b>	<b>16,680,961</b>	<b>7,099,358.00</b>	<b>9,581,603</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,012,666	1,013,043.00		2,025,709	1,012,666.00	1,013,043
2.2 Committee allowances	1,500,000	947,174.00	151,311	2,598,485	2,000,000.00	598,485
2.3 Use of goods and services	1,600,000	825,905.00	607,713	3,033,618	1,600,000.00	1,433,618
<b>Total</b>	<b>4,112,666</b>	<b>2,786,122</b>	<b>759,024</b>	<b>7,657,812</b>	<b>4,612,666.00</b>	<b>3,045,146</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	7,192,207	7,192,207.00		14,384,414	6,700,000.00	7,684,414
<b>Total</b>	<b>7,192,207</b>	<b>7,192,207</b>		<b>14,384,414</b>	<b>6,700,000.00</b>	<b>7,684,414</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	23,000,000	6,031,784.00	17,590,589	46,622,373	39,430,027.00	7,192,346
4.2 Tertiary Institutions	9,000,000	10,140,300.00	4,147,814	23,288,114	21,187,000.00	2,101,114
4.3 Social Security	1,980,000	1,980,000.00		3,960,000		3,960,000
4.4 Special Needs	178,673			178,673	178,673.27	-
<b>Total</b>	<b>34,158,673</b>	<b>18,152,084</b>	<b>21,738,403</b>	<b>74,049,160</b>	<b>60,795,700.27</b>	<b>13,253,460</b>
<b>5.0 Sports</b>						
5.1	2,000,000		2,494,083	-		-
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>2,494,083</b>	<b>4,494,083</b>		<b>4,494,083</b>
<b>6.0 Environment</b>						
Rongabi Primary School	200,000			200,000	200,000.00	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
<b>Total</b>	<b>2021/2022</b>	<b>-</b>	<b>-</b>	<b>2021/2022</b>	<b>2021/2022</b>	
	<b>Kshs</b>		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
	<b>200,000</b>		<b>-</b>	<b>200,000</b>	<b>200,000.00</b>	<b>-</b>
<b>7.0 Primary Schools Projects</b>						
Ndamukia Primary School	700,000.00			700,000	700,000.00	-
Rongabi Primary School		3,500,000.00		3,500,000	3,500,000.00	-
Naora Primary School	300,000.00			300,000		300,000
Nyamagagana Primary School	800,000.00			800,000	800,000.00	-
Nyamarangere Primary School	500,000.00	2,500,000.00		3,000,000	3,000,000.00	-
Gekamiri Primary School	600,000.00	700,000.00		1,300,000	1,300,000.00	-
Nyawaitanchiria Primary School	300,000.00			300,000	300,000.00	-
Masaba Primary School	200,000.00			200,000	200,000.00	-
Bohorera Primary School	300,000.00			300,000	300,000.00	-
Getabara Primary School	500,000.00	700,000.00		1,200,000	1,200,000.00	-
Ntiyange Primary School	700,000.00			700,000	700,000.00	-
Sagegi Primary School	300,000.00			300,000	300,000.00	-
Nyatira Primary School	300,000.00			300,000	300,000.00	-
Korobunyige Primary School	600,000.00			600,000	600,000.00	-
Tagare Primary School	700,000.00			700,000	700,000.00	-
Nyamekoma Primary	200,000.00			200,000	200,000.00	-
Komorege Primary School	600,000.00			600,000	600,000.00	-
St Kizito Primary School	600,000.00			600,000	600,000.00	-
Nyatechi Primary School	500,000.00		200,000.00	700,000	500,000.00	200,000
Igena Primary School	500,000.00	500,000.00		1,000,000	1,000,000.00	-
Wizara Special Primary School	500,000.00			500,000	500,000.00	-
Bogambo Primary School	600,000.00	600,000.00		1,200,000	1,200,000.00	-
Biamiti Primary School	700,000.00			700,000	700,000.00	-
Rosabare Primary School	300,000.00	600,000.00		900,000	900,000.00	-

*Kuria West Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	2021/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs
Kengariso Primary School	500,000.00			500,000	500,000.00	-
Kiburanga Primary School	500,000.00			500,000	500,000.00	-
Gukupimo Primary School	500,000.00			500,000	500,000.00	-
Nyasese Primary School	300,000.00	700,000.00		1,000,000	1,000,000.00	-
Keburui Primary School	700,000.00			700,000	700,000.00	-
Nyang'iti Primary School	600,000.00			600,000	600,000.00	-
Ikerege Mixed Primary School	400,000.00			400,000	400,000.00	-
Nyamaharaga Mixed Primary School	1,000,000.00			1,000,000	1,000,000.00	-
Giosahi Primary	6,100,000.00			6,100,000	700,000.00	6,100,000
Korogati Pri	700,000.00			700,000	700,000.00	-
Nyaigutu Pri	700,000.00	200,000.00		900,000	900,000.00	-
Binguiti Pri	700,000.00	200,000.00		900,000	900,000.00	-
Nyamosense Pri	4,000,000.00	500,000.00		4,500,000	4,500,000.00	-
Mabera Pri	500,000.00			500,000	500,000.00	-
Kebobono Pri School		600,000.00		600,000	600,000.00	-
Nyabokarange Pri School		300,000.00		300,000	300,000.00	-
Taranganya Girls Boarding		2,800,000.00		2,800,000	2,800,000.00	-
Taranganya Mixed Pri		400,000.00		400,000	400,000.00	-
Wizara Pri School		600,000.00		600,000	600,000.00	-
Nyamaharaga Pag		7,400,000.00		7,400,000	7,400,000.00	-
Sirori Simba Pri		500,000.00		500,000	500,000.00	-
Muchebe Pri School		500,000.00		500,000	500,000.00	-
Duveskog Pri School		1,800,000.00		1,800,000	1,800,000.00	-
Nyangoge Pri School		600,000.00		600,000	600,000.00	-
Nyabirongo Pri School		500,000.00		500,000	500,000.00	-

*Kuria West Constituency  
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Programme/Sub-programme	Original Budget(a) 2021/2022 Kshs	Adjustments(b)		Final Budget c = (a+b) 2021/2022 Kshs	Actual on comparable basis (d) 2021/2022 Kshs	Budget utilization difference (e = c-d) Kshs
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
Kugisingisi Pri School		1,500,000.00		1,500,000	1,500,000.00	-
Iraha Pri School		700,000.00	200,000.00	900,000	900,000.00	-
Komosoko Pri School		700,000.00		700,000	700,000.00	-
Isibania Pri School		700,000.00		700,000	700,000.00	-
Ngochoni Pri School		300,000.00		300,000	300,000.00	-
Nyamataburo Pri School		300,000.00		300,000	300,000.00	-
Taragwiti Pri School		700,000.00		700,000	700,000.00	-
Karosi Pri School		500,000.00		500,000	500,000.00	-
Ikerere Boarding Pri		500,000.00		500,000	500,000.00	-
Nyamekongoroto Adult		300,000.00		300,000	300,000.00	-
Kombe Pri School		800,000.00		800,000	800,000.00	-
Nyanchabo Primary		2,000,000.00		2,000,000	2,000,000.00	-
<b>Total</b>	<b>28,500,000</b>	<b>35,700,000</b>	<b>200,000</b>	<b>64,600,000</b>	<b>58,000,000.00</b>	<b>6,600,000</b>
<b>8.0 Secondary Schools Projects</b>						-
Getong'anya Secondary School	9,700,000.00			9,700,000	9,700,000.00	-
Kombe Secondary School	800,000.00			800,000		800,000
Kurutyang'e Secondary School	400,000.00			400,000	400,000.00	-
Nyamagagana Secondary School	600,000.00	2,300,000.00		2,900,000	2,900,000.00	-
Nyamataburo Mixed Secondary School	500,000.00			500,000	500,000.00	-
Kugisingisi Secondary School	800,000.00		1,200,000.00	2,000,000	2,000,000.00	-
Nyankore Secondary School	900,000.00		2,000,000.00	2,900,000	2,900,000.00	-
Nyangoge Secondary School	2,500,000.00			2,500,000	2,500,000.00	-
St Marys Maberu Girls	3,000,000.00			3,000,000	3,000,000.00	-
Taranganya Girls Secondary	500,000.00			500,000	500,000.00	-

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

Programme/Sub-programme	Original Budget(a) 2021/2022 Kshs	Adjustments(b)		Final Budget c = (a+b) 2021/2022 Kshs	Actual on comparable basis (d) 2021/2022 Kshs	Budget utilization difference (e = c-d) Kshs
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
St Angela Merici Girls Secondary School	700,000.00			700,000	700,000.00	-
St Thomas Aquinas Komosoko Secondary School	400,000.00			400,000	400,000.00	-
Iraha Mixed Secondary School	300,000.00		700,000	1,000,000	1,000,000.00	-
Ikerege Mixed Secondary School	1,300,000.00			1,300,000	1,300,000.00	-
Nyabokarange Mixed Secondary School	400,000.00			400,000	400,000.00	-
Nyamaharaga Secondary School	9,700,000.00		1,500,000.00	11,200,000	11,200,000.00	-
Kugitura Mixed Sec			1,000,000.00	1,000,000	1,000,000.00	
Kehancha Sec School			400,000.00	400,000	300,000.00	100,000
St Mathias Nyamosense Sec	9,700,000.00			9,700,000		9,700,000
Isibania Boys	2,000,000.00			2,000,000	2,000,000.00	-
<b>Total</b>	<b>44,200,000</b>	<b>2,300,000</b>	<b>6,800,000</b>	<b>53,300,000</b>	<b>42,700,000.00</b>	<b>10,600,000</b>
<b>9.0 Tertiary Institutions Projects</b>				-		-
Mabera Sub County Education Office					12,000,000.00	(12,000,000)
<b>Total</b>	-	-	-	-	<b>12,000,000.00</b>	<b>(12,000,000)</b>
<b>10.0 Security Projects</b>						
Mabera Assistant County Commissioner	800,000.00			800,000	800,000.00	-
Ngisiru Assistant Chiefs Office	200,000.00			200,000	200,000.00	-
Nyankore Assistant Chiefs Office	100,000.00			100,000	100,000.00	-
Mabera Police Station	300,000.00			300,000	300,000.00	-
Mabera Administration Police	500,000.00			500,000	500,000.00	-
Masaba Police Post Office.	700,000.00			700,000	700,000.00	-

*Kuria West Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	2021/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs
Nyamagana Chiefs Office	100,000.00			100,000	100,000.00	-
Sagegi Asst Chiefs Office	100,000.00			100,000	100,000.00	-
Kehancha Police Station	600,000.00			600,000	600,000.00	-
Nyankore Police Post	500,000.00			500,000	500,000.00	-
Iraha Assistant Chief's Office	300,000.00			300,000	300,000.00	-
Nyabikaye Assistant Chiefs Office	300,000.00			300,000	300,000.00	-
Kehancha Cipu/ Land Registrar Office	1,000,000.00			1,000,000	1,000,000.00	-
Isebania Police Station	2,000,000.00			2,000,000	2,000,000.00	-
Ikerege Assistant County Commissioner's Residence	500,000.00			500,000	500,000.00	-
Ikerege Assistant Chiefs Office	300,000.00			300,000	300,000.00	-
Isibania Ocs Residence	200,000.00			200,000	200,000.00	-
Komomamnge Ass Chief			400,000.00	400,000	400,000.00	-
Nyamaharaga Ass Chief			200,000.00	200,000	200,000.00	-
Kiomakebe Ass Chief			300,000.00	300,000	300,000.00	-
Kumumwamu Police Line			300,000.00	300,000	300,000.00	-
Bugumbe Central Chief			300,000.00	300,000	300,000.00	-
Nyamataburo Ass Chief			400,000.00	400,000	400,000.00	-
Nyanchabo Police Post			600,000.00	600,000	600,000.00	-
Igena Ass Chief			200,000.00	200,000	200,000.00	-
Bukira East Chiefs Office			500,000.00	500,000	500,000.00	-
Bukira West Chiefs			300,000.00	300,000	300,000.00	-
Innovation Hubs			4,677,027.00	4,677,027		4,677,027
<b>Total</b>	<b>8,500,000</b>	<b>-</b>	<b>8,177,027</b>	<b>16,677,027</b>	<b>12,000,000.00</b>	<b>4,677,027</b>
<b>13.0 Unallocated Fund</b>						<b>4,677,027</b>

*Kuria West Constituency  
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	2021/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs
Unapproved Projects			7,500,000	7,500,000		7,500,000
Total	137,088,879	-	53,188,879	259,543,457	-	7,500,000
		69,065,699		204,107,724.27	204,107,724.27	55,435,733

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

## **XII. 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 NG-CDF Kuria West 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.

#### **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.

*Significant Accounting Policies continued*

**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.

**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.

**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.

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 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.

*Significant Accounting Policies continued*

**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.

**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.

**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. Transfers from NGCDF Board**

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
B104765		40,000,000
B104818		17,367,724
B124704		8,000,000
B119529		8,500,000
B119919		12,000,000
B128160		6,900,000
B124852		12,000,000
B128473		7,000,000
B047834		7,000,000
B126474		11,000,000
B138885		12,000,000
		13,000,000
		6,000,000
B140968	33,000,000	
B105659	44,000,000	
B105833	22,000,000	
B128891	12,000,000	
B154088	12,000,000	
B128579	5,000,000	
B164425	18,000,000	
B155860	10,988,879	
B155978	12,688,879	
<b>TOTAL</b>	<b>169,677,758</b>	<b>160,767,724</b>

*Notes To the Financial Statements (Continued)*

2. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Other Receipts Not Classified Elsewhere	-	135,096
<b>Total</b>	<b>-</b>	<b>135,096</b>

3. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,927,476	1,918,636
House Allowance	384,000	384,000
Leave allowance	16,000	24,000
Gratuity to contractual employees	-	1,828,973
Employer Contributions Compulsory national social security schemes	155,520	155,520
<b>Total</b>	<b>2,482,996</b>	<b>4,311,129</b>

4. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	50,000	10,445
Communication, supplies and services	30,000	69,400
Domestic travel and subsistence	891,200	404,200
Printing, advertising and information supplies & services	-	39,504
Training expenses	946,660	1,093,000
Hospitality supplies and services	345,000	-
Other committee expenses	4,110,568	4,289,500
Committee allowance	1,698,200	-
Insurance costs	-	825,000
Specialised materials and services	-	396,600
Office and general supplies and services	107,400	49,384
Fuel , oil & lubricants	1,000,000	-
Other operating expenses	-	442,446
Other Operating Expenses	-	11,000
Routine maintenance- other assets	50,000	415,850
<b>Total</b>	<b>9,229,028</b>	<b>8,046,329</b>

*Notes To the Financial Statements (Continued)*

5. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	57,900,000	43,200,000
Transfers To Secondary Schools (See Attached List)	42,800,000	14,300,000
Transfers To Tertiary Institutions (See Attached List)	12,000,000	700,000
<b>Total</b>	<b>112,700,000</b>	<b>58,200,000</b>

6. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	39,430,027	18,487,300
Bursary – tertiary institutions (see attached list)	21,187,000	7,390,700
Bursary – special schools (see attached list)	178,673	270,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	11,900,000	10,100,000
Sports projects (see attached list)	-	3,500,000
Environment projects (see attached list)	200,000	316,742
Emergency projects (see attached list)	6,700,000	7,598,000
<b>Total</b>	<b>79,695,700</b>	<b>47,662,742</b>

*Notes To the Financial Statements (Continued)*

7. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance) <i>KCB Account No. 11</i>	34,635,734	69,065,698
<b>Total</b>	<b>34,635,734</b>	<b>69,065,698</b>

8. Balances Brought Forward

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	69,065,699	26,383,079
<b>Total</b>	<b>69,065,699</b>	<b>26,383,079</b>

9. Other Important Disclosures

9.1: Unutilized Fund (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	3,894,353	1,613,090
Use of goods and services	8,732,396	4,108,318
Amounts due to other Government entities (see attached list)	5,200,000	38,000,000
Amounts due to other grants and other transfers (see attached list)	30,108,984	25,344,291
Funds pending approval	7,500,000	-
<b>Total</b>	<b>55,435,733</b>	<b>69,065,699</b>

9.2: PMC Account Balances (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	14,391,166	18,181,991
<b>Total</b>	<b>14,391,169</b>	<b>18,181,991</b>

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ANNEXES

**ANNEX 1 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of staff salaries and gratuity	2,894,353	613,090	
Use of goods & services	Facilitate office expenses	7,732,396	3,108,318	
		<b>10,626,749</b>	<b>3,721,408</b>	
Amounts due to other Government entities				
Primary schools			35,700,000	
Secondary schools			2,300,000	
Tertiary institution			12,000,000	
Naora Primary	Completion of 2 classrooms	300,000	-	
Giosahi Primary	Purchase of new school land and buildings	6,100,000	-	
Kombe secondary	Completion of dormitory	800,000	-	
Kehancha Secondary	Construction of 4 door pit latrine	100,000	-	
Nyamosense Secondary	Purchase of 51 seater school bus	9,700,000	-	
<b>Sub-Total</b>		<b>17,000,000</b>	<b>50,000,000</b>	
Amounts due to other grants and other transfers				
Bursary –secondary	Pay fee for needy students	1,192,346	31,784	
Bursary –Tertiary	Pay fee for needy students	101,114	8,140,300	
Social security	Pay NHIF for 660 vulnerable members in constituency	3,960,000	1,980,000	
Emergency		5,684,414	5,192,207	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Sports	Facilitate sports activity in the constituency	4,494,083		
Sub-Total		15,431,957	15,344,291	
Acquisition of assets				
Others				
ICT Hubs	Installation of hubs	4,677,027	-	
Sub-Total		4,677,027		
Funds pending approval				
NG-CDF Vehicle	Purchase of NG-CDF vehicle	7,500,000	-	
Grand Total		55,236,733	69,065,699	

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Transport equipment	4,793,000			4,793,000
Office equipment, furniture and fittings	210,797			210,797
ICT Equipment, Software and Other ICT Assets	884,900			884,900
<b>Total</b>	<b>5,888,697</b>			<b>5,888,697</b>

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**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2022**

NO.	PMC	BANK	A/C	BANK BALANCE 2021/22	BANK BALANCE 2020/21
1	Bukira East Chief Office	Kenya Commercial Bank	1278901477	2,114	2,114
2	Biamiti Primary	Kenya Commercial Bank	1117528650	4,331	2,431
3	Bogambo Primary	Kenya Commercial Bank	1280319704	2,031	21
4	Bohorera Primary	Kenya Commercial Bank	1133823181	3,513	33,361
5	Boremagongo Primary	Kenya Commercial Bank	1159933642	3,163	3,163
6	Bingutwi Pri	Kenya Commercial Bank	1126727059	33,334	-
7	Bugumbe Central Chief	Kenya Commercial Bank	1286925630	2,095	895
8	Chacha Moronge Sorore Sec	Kenya Commercial Bank	1115340360	3,758	-
9	Dr Machage Sec	Kenya Commercial Bank	1115709089	24,560	24,560
10	Duveskog Primary	Kenya Commercial Bank	1170490255	55,393	6,679
11	Gekamiri Primary School	Kenya Commercial Bank	1138429813	12,217	8,963
12	Getabara Pri School	Kenya Commercial Bank	1271253844	3,185	-
13	Getonganya Mixed Sec	Kenya Commercial Bank	1170489478	5,426,531	1,651
14	Getonganya Pri	Kenya Commercial Bank	1117406016	7,992	7,993
15	Gosese Primary	Kenya Commercial Bank	1133457657	4,182	4,183
16	Gukupimo Primary School	Kenya Commercial Bank	1126268925	15,715	5,095
17	Gwikonge Primary School	Kenya Commercial Bank	1285755316	4,817	4,817
18	Gwikonge Sec School	Kenya Commercial Bank	1158310714	133,420	-
19	Gwikonge Ass Chief Office	Kenya Commercial Bank	1176279793	3,148	-
20	Igena Primary	Kenya Commercial Bank	1113704624	5,178	93,062
21	Ikerage Boarding Pri	Kenya Commercial Bank	1137169532	6,100	503,671
22	Ikerage Chief Office	Kenya Commercial Bank	1280773952	1,053	1,053
24	Ikerage Mixed Sec School	Kenya Commercial Bank	1106372328	90,610	-
25	Ikerage Mixed Primary School	Kenya Commercial Bank	1133497837	1,827	41,793
26	Iraha Primary School(Kcb Manager)	Kenya Commercial Bank	1279354313	4,325	-
28	Isibania Ass Chief	Kenya Commercial Bank	1252559941	34,543	-
29	Isibania Ocs Residence	Kenya Commercial Bank	1258489732	2,206	-
30	Isibania Police Station	Kenya Commercial Bank	1275346626	2,528	-

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NO.	PMC	BANK	A/C	BANK BALANCE 2021/22	BANK BALANCE 2020/21
31	Karosi Pri School	Kenya Commercial Bank	1107997526	7,081	-
32	Kebobono Pri School	Kenya Commercial Bank	1289764379	236	-
33	Kehancha Police Station Reno	Kenya Commercial Bank	1286884314	4,050	499,395
34	Kehancha Police Station Septic	Kenya Commercial Bank	1286884470	3,682	316,136
35	Kehancha Primary	Kenya Commercial Bank	1135849951	1,655	49,656
36	Kiburanga Pri School	Kenya Commercial Bank	1132762081	20,355	-
37	Kiomakebe Ass Chief Office	Kenya Commercial Bank	1226260918	4,329	-
38	Kombe Chief	Kenya Commercial Bank	1232817228	1,878	1,878
39	Kombe Pri	Kenya Commercial Bank	1137367865	16,559	-
41	Komasincha Pri School	Kenya Commercial Bank	1149161515	62	-
42	Komomwamu Police Line	Kenya Commercial Bank	1178018350	31,748	-
43	Komomange Primary School	Kenya Commercial Bank	1117547442	8,938	8,939
44	Komorege Primary	Kenya Commercial Bank	1114276561	5,228	4,164
45	Komosoko Assistance Chief	Kenya Commercial Bank	1204475520	11,037	-
47	Korobunyige Primary	Kenya Commercial Bank	1133503543	31,959	5,043
48	Korogati Pri	Kenya Commercial Bank	1170709222	6,263	4,553
49	Kubwaha Primary	Kenya Commercial Bank	1170522785	4,587	4,588
50	Kubweye Secondary School	Kenya Commercial Bank	1111836035	3,974	1,542,704
51	Kubweye Pri School	Kenya Commercial Bank	1152594060	7,384	-
52	Kugisingisi Primary	Kenya Commercial Bank	1137456493	26,120	1,523,159
53	Kugitura Pri	Kenya Commercial Bank	1125172649	2,947	2,947
54	Kugitura Sec School	Kenya Commercial Bank	1106568508	1,161	-
55	Kuguyi Primary	Kenya Commercial Bank	1133444105	2,325	-
56	Kurutiyanage Ass Chief Office	Kenya Commercial Bank	1280318406	1,269	79,395
57	Kurutiyanage Pri	Kenya Commercial Bank	1137157836	10,148	10,148
58	Mabera Ap Residence	Kenya Commercial Bank	1286883539	32,348	2,295
59	Mabera Police Station	Kenya Commercial Bank	1206986255	655,719	1,622,044
60	Mabera Resource Centre	Kenya Commercial Bank	1163422983	58,254	-
61	Mabera Primary	Kenya Commercial Bank	1154276155	87,907	63,083
62	Mabera Tti	Kenya Commercial Bank	1157953190	26,918	24,586
64	Masaba Acc Residence	Kenya Commercial Bank	1280318368	774	774

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NO.	PMC	BANK	A/C	BANK BALANCE 2021/22	BANK BALANCE 2020/21
65	Masaba Police Line	Kenya Commercial Bank	1279796715	700,778	778
66	Masaba Primary School	Kenya Commercial Bank	1133572839	11,497	5,147
67	Masaba Sec School	Kenya Commercial Bank	1137079681	147,177	-
68	Masaba Resource Center	Kenya Commercial Bank	1286439450	1,934	-
69	Moheto Primary School	Kenya Commercial Bank	1204752036	9,774	263,414
71	Muchebe Primary School	Kenya Commercial Bank	1133353991	1,202	-
72	Naora Primary School	Kenya Commercial Bank	1137865237	4,555	4,555
73	Ndamukia Primary	Kenya Commercial Bank	1176238094	98,476	81,960
74	Ngisiru Ass Chief Office	Kenya Commercial Bank	1252491018	4,890	-
75	Ngisiru Primary School	Kenya Commercial Bank	1204862079	554	680
76	Ngochoni Primary	Kenya Commercial Bank	1252270011	1,782	4,592
77	Nyaigutu Pri School	Kenya Commercial Bank	1117690156	3,874	-
78	Ntiange Primary School	Kenya Commercial Bank	1135049769	34,779	11,594
79	Nyankore Sec School	Kenya Commercial Bank	1133364179	3,671	-
80	Nyabirongo Pri	Kenya Commercial Bank	1113206985	2,368	500,918
81	Nyabokarange Sec School	Kenya Commercial Bank	1158309473	19,855	-
82	Nyabokarange Pri School	Kenya Commercial Bank	1132887321	23,136	-
83	Nyabikaye Ass Chief	Kenya Commercial Bank	1136348336	792	-
84	Nyabikaye Pri School	Kenya Commercial Bank	1112287396	6,019	-
85	Nyamagana Secondary School	Kenya Commercial Bank	1137291346	30,594	317,678
86	Nyamagana Pri School	Kenya Commercial Bank	1160732043	13,978	-
87	Nyamagana Ass Chiefs	Kenya Commercial Bank	1266535497	2,205	-
88	Nyamaharaga Assistant Chief	Kenya Commercial Bank	1286422248	2,491	1,691
89	Nyamaharaga Pag Pri School	Kenya Commercial Bank	1107995353	7,983	10,056
90	Nyamaharaga Mixed Primary School	Kenya Commercial Bank	1137378379	11,553	-
91	Nyamaharaga Mixed Sec	Kenya Commercial Bank	1127718940	5,439,375	12,362
92	Nyamarangere Pri	Kenya Commercial Bank	1137362588	5,100	2,503,840
93	Nyamekoma Primary	Kenya Commercial Bank	1137147792	18,031	32,680
94	Nyametaburo Pri	Kenya Commercial Bank	1116847086	1,533	300,184
95	Nyametaburo Sec	Kenya Commercial Bank	1112424032	25,522	9,774

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NO.	PMC	BANK	A/C	BANK BALANCE 2021/22	BANK BALANCE 2020/21
96	Nyamosense Ap Camp	Kenya Commercial Bank	1266288589	59,522	81,592
97	Nyamosense Pri School	Kenya Commercial Bank	1125195711	155,744	-
98	Nyamosense Special Primary School	Kenya Commercial Bank	1204567670	26,905	1,175,685
99	Nyamwini Primary School	Kenya Commercial Bank	1157880053	35,027	54,027
100	Nyanchabo Police Line	Kenya Commercial Bank	1277689784	7,181	151,203
102	Nyangiti Primary School	Kenya Commercial Bank	1133461972	2,753	660.00
103	Nyangoge Pri	Kenya Commercial Bank	1208229028	4,857	-
104	Nyangoge Secondary School	Kenya Commercial Bank	1150198087	159,675	2,255,758
105	Nyangoge Ass Chiefs Office	Kenya Commercial Bank	1183060459	16,723	-
106	Nyanokore Ass Chief Office	Kenya Commercial Bank	1159817790	2,406	2,076
107	Nyanokore Chiefs Office	Kenya Commercial Bank	1276197462	2,265	-
109	Nyatechi Primary School	Kenya Commercial Bank	1116143259	5,666	5,135
110	Nyatira Primary	Kenya Commercial Bank	1179687299	31,182	16,605
111	Nyasese Pri School	Kenya Commercial Bank	1126692794	5,853	-
112	Robarisia Pri School	Kenya Commercial Bank	1117795373	1,580	-
113	Rokere Pri School	Kenya Commercial Bank	1137021918	4,710	-
114	Rongabi Primary	Kenya Commercial Bank	1161062041	14,469	-
115	Rosabare Pri School	Kenya Commercial Bank	1149932147	2,367	-
116	Sagegi Ass Chief Office	Kenya Commercial Bank	1271083388	7,549	3,569
117	Sagegi Primary	Kenya Commercial Bank	1160850178	27,688	14,289
119	Sirori Simba Pri School	Kenya Commercial Bank	1114872016	435	-
120	St Annes Pri School	Kenya Commercial Bank	1170551785	7,237	-
121	St Angela Merici Sec	Kenya Commercial Bank	1117590887	139,420	138,964
122	St Mathias Kohanga Pri	Kenya Commercial Bank	1179677250	27,058	27,058
123	St Kizito Pri School	Kenya Commercial Bank	1252403259	2,738	-
	St Mathias Nyamosense Secondary School	Kenya Commercial Bank	1151510122		50,103
125	St Mathias Nyanchabo Sec	Kenya Commercial Bank	1168490561	2,376	2,886
126	Taragwiti Primary	Kenya Commercial Bank	1133457738	4,607	2,327
128	Taranganya Bording Pri	Kenya Commercial Bank	1112773193	213	2,332

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NO.	PMC	BANK	A/C	BANK BALANCE 2021/22	BANK BALANCE 2020/21
129	Taranganya Girls Sec	Kenya Commercial Bank	1149502118	7,346	5,536
130	Taranganya Mixed Pri	Kenya Commercial Bank	1134092563	2,327	2,327
131	Tongeria Pri	Kenya Commercial Bank	1126207357	1,769	29,769
132	Wizara Pri School	Kenya Commercial Bank	1135329540	3,225	-
133	Wizara Special	Kenya Commercial Bank	1206091355	12,054	10,644
				<b>14,391,169</b>	<b>18,181,991</b>

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**ANNEX 4: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the Auditor-General, 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	<p><b>Unsupported Expenditure on Use of Goods and Services</b> The statement of receipts and payments reflects use of goods and services amount of Kshs.8,046,329 and as disclosed in Note 5 of the financial statements. However, the amount includes an expenditure of Kshs.2,683,000 whose, original payment vouchers and related supporting documents were not provided for audit.</p> <p>In the circumstance, the accuracy and completeness for use of goods and services amount of Kshs.2,683,000 could not be confirmed.</p>	<p>We acknowledge that above files were not available during time of audit because the officer who had them was away hence had locked them in his office. All documents attached to response</p>	resolved	Awaiting for final audit report from OAG
2	<p><b>Unreconciled Cash and Cash Equivalents Balance</b> The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.69,065,698 and as disclosed in Note 10A of the financial statements. The balance differs with the reconciled cash book balance of Kshs.50,024,699, resulting to an unexplained and unreconciled variance of Kshs.19,040,999.</p>	<p>We wish to state that during the closure of the year ksh 19 million had been received in the bank but not captured in the cashbook due to delay of AIE. The cash book was corrected as the two AIE's of kshs. thirteen million and six Million captured. Copies of</p>	Resolved	Awaiting for final audit report from OAG

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	<p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.69,065,698 could not be confirmed.</p> <p><b>Budgetary Control and Performance</b></p> <p>The summary statement of appropriation reflects final budgeted receipts of Kshs.232,974,778 and actual receipts of Kshs.187,285,899 resulting in budget shortfall of Kshs.45,688,879 or 20% of the budget. Similarly, the statement reflects final budgeted payments of Kshs.232,974,778 and actual payments of Kshs.118,220,200 resulting in net under expenditure of Kshs.114,754,578 or 49% of the budget.</p> <p>The underfunding and under performance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>AIE attached and cashbook extract</p>	<p>resolved</p>	<p>Awaiting for final audit report from OAG</p>
4	<p><b>Inadequacies in Project Implementation</b></p> <p>The statement of receipts and payments reflects transfer to other government units amount of Kshs.58,200,000 which, as disclosed in Note 6 to the financial statement, includes transfers to primary and secondary schools of Kshs.43,200,000 and Kshs.14,300,000 respectively. both totaling to Kshs.57,500,000 out of which, However, the issues tabulated below were noted in respect of an amount</p>			<p>Awaiting for final audit report from OAG</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	<p>of Kshs.14,500,000 transferred to six (6) schools for construction of classrooms.</p> <p><b>Inadequacies on Emergency Projects</b></p> <p>The statement of receipts and payments reflects other grants amount of Kshs.47,662,742 which, as disclosed in Note 7 to the financial statements, includes Kshs.7,598,000 spent on emergency projects. The amount of Kshs.7,598,000 includes Kshs.3,000,000 transferred to Nyatira Primary School for drilling and equipping of a borehole. However, audit inspection of the project conducted in the month of April, 2022 revealed that the project was not complete as a power house provided for in the bill of quantities at an estimated cost of Kshs.200,000 was not constructed despite the fact that the contractor was fully paid.</p> <p>Further, the amount of Kshs.7,598,000 includes Kshs.3,000,000 transferred to Kengaris Primary School for drilling, equipping and pump testing of a borehole at a contract sum of Kshs.3,498,998 out of which, Kshs.1,080,914 related to equipping and pump testing of the boreholes. However, audit inspection carried out in April, 2022 and explanation provided by the Management revealed that the contractor drilled two (2) boreholes to the depth of approximately 200 metres each, following recommendation of a local survey firm. However, the boreholes did not yield sufficient amount of water, casting doubt on the accuracy of the survey done. In</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>addition, the Management paid the contractor the full contract price, including Kshs.1,080,914 for equipping and testing the pump of which were not done.</p> <p>In the circumstances, value for money and regularity of the expenditure incurred could not be confirmed.</p>			

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**Name: Jackson K Too**  
**Fund Account Manager**