

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 15 AUG 2024

DAY

OF
THE AUDITOR-GENERAL

TABLED
BY:

Hon. Uvon Baya, MP
Deputy leader of majority

CLERK-AT
THE-TABLE:

Chebets Kakei

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
CHEPALUNGU CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



CHEPALUNGU CONSTITTUENCY
NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

Table of Content	Page
I. Acronyms and Abbreviations	ii
II. Key Constituency Information and Management	iii
III. NG-CDFC Chairman's Report.....	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/2023.....	xii
V. Statement of Governance	xiv
VI. Environmental and Sustainability Reporting.....	xvii
VII. Statement Of Management Responsibilities.....	xxi
VIII. Report of the Independent Auditors On The NGCDF- Chepalungu Constituency	xxiii
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023	1
X. Statement Of Assets and Liabilities As At 30th June, 2023	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023	3
XII. Summary Statement of Appropriation for The Year Ended 30 th June 2023.....	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	7
XIV. Significant Accounting Policies.....	18
XV. Notes To the Financial Statements	24
XVI. Annexes.....	35

I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

II. 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 2022. 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 Chepalungu 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)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Felix Ntutu
2.	Sub-County Accountant	Soi Kiprono
3.	Chairman NGCDFC	Bett Nicholas
4.	Member NGCDFC	Lily Chepngetich

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Chepalungu 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.

(d) Chepalungu Constituency NGCDF Headquarters

P.O. Box 56-Sigor
Bomet, KENYA

(e) Chepalungu Constituency NGCDF Contacts

Telephone: (254) 722 774 506
E-mail: chepalunguconstituency@ngcdf.go.ke
Website: www.ngcdfchepalungu.go.ke
Email: ngcdfchepalunguconstituency@gmail.com

(f) Chepalungu Constituency NGCDF Bankers

Access Bank

Account Number: 0170100000072

Bomet Branch

Sigor House

P. O Box 476-20400

Bomet.

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

III. NG-CDFC Chairman's Report



Bett Nicholas

On behalf of CHEPALUNGU NG-CDF Committee and staff, I am profoundly glad in presenting the FY 2022/2023 annual report and financial statements for the fund. CHEPALUNGU NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposal as proposed by the residents of CHEPALUNGU constituency and ensure that all approved projects meet the requirements of sec 24 of the Act, Capacity building of the project management committees (PMCS), monitoring and evaluation of the funded projects. As per the provisions of the NGCDF Act 2015 (as amended in 2016), this was achieved mainly through timely disbursement of received funds to the project management committees (PMC), projects monitoring and regular NGCDF committee meetings.

CHEPALUNGU NG-CDF committee registered exemplary performance in the year under review as demonstrated by implementation of projects, programmes and activities in the sectors of Education, security, sports and environment which fall within the mandate of the Fund established by the NGCDF ACT 2015 (as amended in 2016).

The fund augmented the national government's infrastructure development in education sector through construction, renovation and equipping of schools.

In detail, NG-CDF CHEPALUNGU has been able to achieve the following during the financial year;

A total of 61 classrooms, 3 dormitories, 2 laboratories, 2 administration blocks, and 30 pit latrines with 15 catering for PWDs, were constructed and or renovated through the allocation to the fund.

The fund's contribution towards education infrastructure across the constituency supported the 100% government transition policy.

In addition the fund supported retention of students in secondary and tertiary institutions through issuance of bursary. A total of Ksh. 47,866,200 was awarded as bursary to needy students in the constituency. CHEPALUNGU NG-CDF committee has developed bursary award criteria to ensure only the needy students are awarded bursary.

A). Budget Performance

In the financial year 2022/2023 CHEPALUNGU NG-CDF budget performance against actual amounts for current year based on economic classification and programmes, was derailed by untimely and unpredictable disbursement of funds to the constituency by the NG-CDF BOARD,

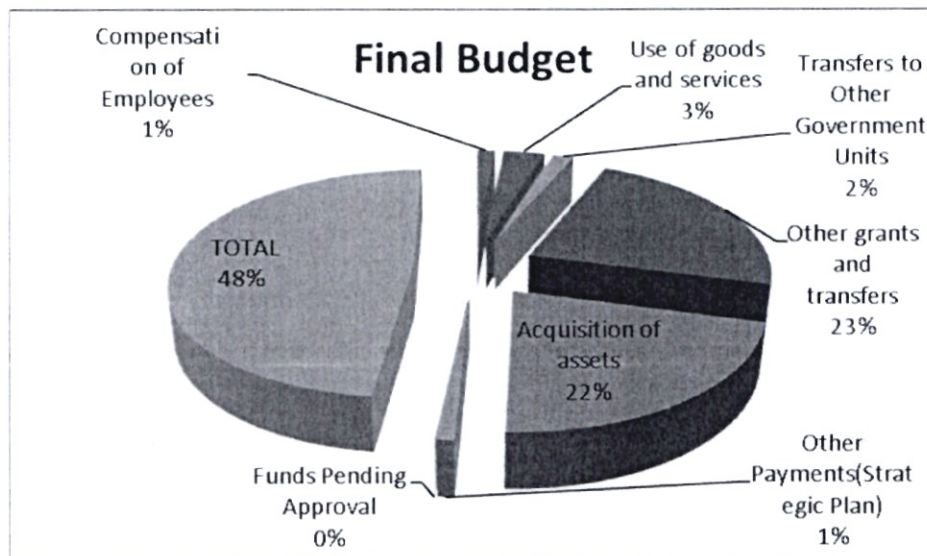
In the financial year ended June 30th, 2023, CHEPALUNGU NG-CDF had a cumulative approved budget of Kshs 145,087,603 out of which Kshs 87,477,000.00 was received from the NG-CDF Board while a balance of Kshs 82,275,606 is yet to be received.

NG-CDF CHEPALUNGU disbursed the received funds as follows;

No amount was disbursed to various schools and other government agencies for implementation of the approved projects, Kes 47,866,200 was issued as bursaries to needy students in the constituency, Kes 2,203,800 was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses, Kes 3,730,648 was used in payment of NG-CDFC staff salaries, Kes 3,108,000.00 was used to fund emergency occurrences in the constituency.

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	5,149,506.00	3,730,648	1,418,858	72%
Use of goods and services	11,729,952.00	5,308,800	6,421,152	45%
Committee expenses	5,892,276.00		3,381,276	
Transfers to Other Government Units	81,499,567.00	2,511,000	81,499,567	43%
Other grants and transfers	76,849,913.72	-	27,169,981	0%
Acquisition of assets	620,000	-	620,000	75%
Other Payments(Strategic Plan)	3,500,000.00	3,288,793	211,207	94%
Funds Pending Approval	-	-	-	-
TOTAL	185,241,215	72,672,051	120,722,041	74%





The above image is a project of two classrooms carried out in the financial year 2022/2023 at Chebelion primary school.

B). Emerging issues related to NG-CDF in CHEPALUNGU Constituency are;

- ❖ Education, Security, Sports, Environment, Water and Roads sectors almost entirely depend on NG-CDF on infrastructure development.
- ❖ Prioritization of projects to fund is becoming more difficult due to the numerous high impacts and deserving projects being proposed by the residents.
- ❖ Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructures to cater for the residents.
- ❖ There's a growing Need to compete with the county government in infrastructure development to justify the long existence of NG-CDF.

C). NG-CDF Implementation challenges in CHEPALUNGU Constituency are;

- ❖ Overdependence of the fund by the public and National government functions on all development related needs.
(To overcome this, CHEPALUNGU NG-CDF Committee employs public participation at the ward level in identification of priority projects for funding and bursary beneficiaries within the constituency).
- ❖ Funds disbursement from the board is untimely and unpredictable leading to delays in execution of budgets occasioning unnecessary budgetary adjustments and delays in the implementation of approved projects.

(CHEPALUNGU NG-CDF committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC`s) as soon as it receives).

- ❖ Many projects are allocated funds- leading to projects receiving insufficient funds **(To overcome this challenge, CHEPALUNGU NG-CDF is focusing on allocating enough funds to complete the project within at most 2 years).**

Moving forward CHEPALUNGU NG-CDF Committee remain steadfast in delivering on our mandate of transforming lives (Maendeleo Kwa Wote) thus creating a better society for all.



.....

**Bett Nicholas
CHAIRMAN NGCDF COMMITTEE**

IV. Statement Of Performance Against Predetermined Objectives for FY2022/2023

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 *Chepalungu Constituency 2023-2027* 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	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 22/23 - we increased number of classrooms by 20, dormitories by 2, laboratories by 3 and built more than 20 pit latrines -5000 Bursary beneficiaries at all levels were as per the attached schedules
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without fearing for	<ul style="list-style-type: none"> -Decrease in the number of insecurity related incidents. -Improved security and a more secure 	-Numbers of usable physical infrastructure build in Police stations. Chief's offices, DCI and county	In FY 22/23 We built one (1) police station in

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Constituency Sector	Objective	Outcome	Indicator	Performance
	their lives and property.	business environment	Commissioners security facilities. -	
Environment	To have a well Conserved and Conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. -sustainable environmental management activities.	In FY 22/23 - we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools approximately 4,000 in number
Sports	To Nurture sporting talent, This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.	Increased engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.	Number of youth, women and persons living with disabilities taking up sporting activities. -Number of usable physical sporting infrastructure build.	In FY 22/23 -we organised the constituency sports tournament for both constituency and regional sports, where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.
Emergency	To be able to urgently address Unforeseen occurrences in the constituency.	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen Occurrences.	Numbers of usable physical infrastructure build and other emergency related activities addressed.	In FY 22/23 -we constructed Pit latrine blocks and re-roofing of classrooms in various schools When the schools were facing immediate closure by the county department of health.

V. Statement of Governance

Appointment of NGCDF Members

- i. The formation of the NG-CDFC Members is guided by the NG-CDF Act Section 43(1) (2) (3) & (4).
 - a. This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board,
 - b. The FAM shall write a letter to the DCC and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt
 - c. The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
 - d. The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
 - e. The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).
 - f. The FAM shall then write to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt
 - g. The Constituency Office Manager shall then nominate in writing the two members to the NG-CDFC.
 - h. The FAM shall write to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintain a record confirming receipt
 - i. The PWD organization shall nominate in writing a member to the NG-CDFC.
 - j. Applications are received at the NG-CDF office and recorded in the application register.
 - k. Within one week after the closure of the advertisement, the Selection panel shall convene to shortlist the suitable candidates as per the criteria in the advert. The successful candidates shall then be called for interviews within seven days.
 - l. The Selection panel shall hold the interviews of the invited candidates and come up with the final list of qualified nominees to the NG-CDFC.
 - m. The FAM shall then submit to the NG-CDF Board the report of the selection panel which includes seven nominees and the Nominee of the Board to the NG-CDFC as per the guidelines within seven days.
 - n. The FAM shall ensure that the timelines set out in the regulations are adhered to during the process of selection and appointment of NGCDF Committees
- ii. The selected members are forwarded to parliament through CEO of the board for purpose of gazzement
- iii. Upon gazzement the DCC or the FAM shall for the first meeting where the chairperson and secretary are elected

NG-CDFC Handing Over Processes

Paragraph 24(1) of the NG-CDF Regulations 2016 states that the officer of the board seconded to the constituency shall preside over the handover from one Constituency committee to another and shall submit a report on the hand over within fourteen days from the date of the hand over.

Removal of members is as in the act 2015 section 13 ,a,b,c,d,e f and g

‘ A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

Roles and function of the committee

- Build the capacity of PMCs and sensitise the community on operations of the fund
- Consider project proposals from all wards in the constituency
- Ensure that all proposed projects that are approved for funding meet the sec 24 of the Act
- Consult with relevant line ministries in the implementing the projects
- Ensure adequate funding of the proposed projects
- Ensure project reports are prepared and forwarded to the board
- Submit financial reports to the board within stipulated time

Induction and Training

The committee on being inaugurated are taken for induction by the Board and subsequent training are done the constituency as per there training plan

Meetings

The committee is to have a maximum of 24 meetings and a minimum of 12 in a financial year as per the 2015 Act

The committee members declare conflict of interest in any matter as the procurement and disposal Act by a standard form at the time of the matter

The committee members are remunerated from the fund at Kshs 5,000 for members and 7000 for the chairman.

Ethics and Conduct

The Anticorruption sub committee was formed on the first meeting and members have been trained on the same, the conduct of members is also the act as some of the reasons for removing a member from the committee

Risk Management

Risk management is a tool by the board to gauge on the risks that the constituency goes through which is attested on monthly basis by the staff. The report is discussed at the meeting by the committee

VI. Environmental and Sustainability Reporting

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

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

During the financial year under review the NGCDFC allocated funds towards planting of tree seedlings in various schools within the constituency.

The NGCDFC has conducted various public forums to sensitize public on the impact of drugs

The NGCDFC has conducted sports activities /tournament during the financial year under review

3. Employee welfare

We invest in providing the best working environment for our employees. Chepalungu 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. Chepalungu 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-

Chepalungu 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-

Chepalungu 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.

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



.....
Felix Ntutu
Fund Account Manager.

VII. 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-Chepalungu 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, 2023. 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-Chepalungu 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Chepalungu 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 Chepalungu 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

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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- Chepalungu Constituency financial statements were approved and signed by the Accounting Officer on 15/09/2023.



.....
Name: Nicholas Bett
Chairman – NGCDF Committee



.....
Name: Felix Ntutu
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHEPALUNGU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 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 - Chepalungu Constituency set out on pages 1 to 47,

which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 - Chepalungu Constituency as at 30 June, 2023, 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 (Amended) 2022 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

1.1 Inaccurate Balances in the Statement of Assets and Liabilities

The statement of assets and liabilities reflects net financial assets balance of Kshs.22,928,826 against net financial position balance of Kshs.30,293,558 resulting in an unexplained variance of Kshs.7,364,732. The two balances should be the same.

In the circumstances, the accuracy and completeness of the statement of assets and liabilities could not be confirmed.

1.2 Non-Disclosure of Gratuity for Contractual Employees

The statement of assets and liabilities reflects net financial assets balance of Kshs.22,928,826 which as disclosed in Note 14B and Annex 2 to the financial statements includes Nil balance in respect of gratuity. However, review of human resource and appointment letters revealed that the staffs are on contract terms of engagement and the contracts were still running at the end of the year. Even though there was liability accrued in form of gratuity, it was not quantified and recognized in the financial statements. This is contrary to Paragraph 14.8 of the significant accounting policies adopted in the preparation of the financial statements on accounts payable which recognises gratuity earned on monthly basis to be held on behalf of the employee and later paid at the end of the contract period.

In the circumstances, the accuracy and completeness of the Nil balance in respect of gratuity could not be confirmed.

1.3 Inaccuracies in Transfers from NGCDF Board

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from the National Government Constituencies Development Fund Board amounting to Kshs.87,447,000. However, review of the supporting

documents including Authority to Incur Expenditure (AIEs) revealed that the amounts received from National Government Constituencies Development Fund Board was Kshs.87,000,000 resulting to an unexplained variance of Kshs.447,000.

In the circumstances, the accuracy and completeness of the total receipts amounting Kshs.87,447,000 could not be confirmed.

1.4 Unsupported Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects nil balance in respect of transfers to other Government units. However, review of the supporting schedules provided for audit revealed that funds totalling Kshs.38,150,000 were transferred to primary schools but was not disclosed in the financial statements. Further, supporting documents including payment vouchers and the approved code list of the approved projects for the year was not provided for audit review.

In the circumstances, the accuracy and completeness of the nil amount in respect of transfers to other Government units could not be confirmed.

2. Unsupported Committee Expenses

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses totalling Kshs.5,308,800. However, review of the supporting schedules revealed that an amount of Kshs.1,763,800 in respect of fare reimbursement and reimbursement of instructors based on training service was not supported with payment vouchers and list signed by the recipients.

In the circumstances, the accuracy and completeness of committee expenses totalling Kshs.1,763,800 could not be confirmed.

3. Unsupported Compensation of Employees

The statement of receipts and payments reflects an amount of Kshs.3,730,648 in respect of compensation of employees and as disclosed in Note 4 to the financial statements. However, the expenditure was not supported with staff payrolls for the year under review.

Further, the Fund Management employed thirteen (13) staff contrary to the provisions of National Government Constituencies Development Fund Board Circular which directed the Funds not to employ more than five (5) employees in the Constituency offices resulting in irregular employment of eight (8) additional staff. The staff included two (2) drivers while the Fund owns one vehicle. In addition, the advertisements, recruitment files, appointment letters, personal files and the payment vouchers for payment of staff salaries were not provided for audit review.

In the circumstances, the accuracy and completeness of compensation of employee expenditure totalling Kshs.3,730,648 could not be confirmed.

4. Other Grants and Other Transfers

4.1 Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.49,678,933 which, as disclosed in Note 8 to the financial statements includes an amount of Kshs.39,088,700 in respect of bursary to secondary schools. However, review of the supporting schedules provided for audit review revealed amounts totalling Kshs.38,458,700 resulting to an unexplained and unreconciled variance of Kshs.630,000.

Further, the bursaries issued during the year included an amount of Kshs.8,777,500 in respect of tertiary institutions which were not supported with bursary sub-committee minutes and acknowledgement receipts from the beneficiaries. In addition, the existence of the bursary sub-committee was not supported by the appointments and minutes of the meetings casting doubts on the vetting process of bursary beneficiaries. Similarly, review of the supporting schedules revealed that bursaries totalling Kshs.1,458,000 were issued to secondary school students but did not have supporting cheque numbers.

4.2 Unsupported Emergency Payments

Further, the balance includes emergency projects amounting to Kshs.3,108,000. The emergency projects included renovation of NGCDF office amounting to Kshs.1,103,000 and transfers to seven (7) schools amounting to Kshs.2,005,000. However, the emergency expenditure payments were not supported with proof to ascertain that the said projects related to emergency expenditure as required by Section 8(3) of the National Government Constituencies Development Fund Act, 2015. In addition, there was no evidence provided confirming that the utilization of the emergency funds was reported to the Board within thirty (30) days of the occurrence as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

Further, payments in respect of renovation of the NGCDF office Kshs.1,103,000 were made in favor of Fund Account Manager and were not supported by interim payment certificates to confirm the nature of works and Constituency Development Fund Committee minutes.

4.3 Unsupported Expenditure on Road Constructions

In addition, the balance includes an amount of Kshs.6,858,610 in respect of roads projects. Review of the supporting documents revealed that the contracts in respect of road construction for the six (6) roads were awarded to one local firm. However, supporting documents including procurement details were not provided for audit review.

Further, the construction of roads is a devolved function of the County Government and the implementation was not supported with approval from the NGCDF Committee. Physical verification carried out in the month of March, 2024 revealed that the roads did not have publicity signage despite inclusion in the Bill of Quantities at a cost of Kshs.100,000 each. In addition, the construction of the roads were not in the approved code list for the year under review.

In the circumstances, the regularity and completeness of the expenditure amounting to Kshs.49,678,933 could not be confirmed.

5. Unreconciled Bank Balances

The statement of assets and liabilities reflects a balance of Kshs.22,928,826 in respect of cash and cash equivalents as disclosed in Note 12A to the financial statements. However, the cash book and bank reconciliation statement for the month of June, 2023 reflects a balance of Kshs.34,139,630 resulting to an unexplained and an unreconciled variance of Kshs.11,210,804.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.22,928,826 could not be confirmed.

6. Unsupported Project Management Committee's (PMC's) Bank Balances

Note 19.4 to the financial statements reflects a balance of Kshs.7,082 in respect of project management committee (PMC) and as disclosed in Annex 5 to the financial statements. However, Annex 5 excludes all the PMC bank accounts for the projects that were funded during the year under review and were still on going. In addition, the confirmation certificates of bank balances for the PMC accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.7,082 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Chepalungu Constituency Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.185,241,214 and Kshs.102,965,608 respectively, resulting in an under-funding of Kshs.82,275,606 or 44% of the budget. However, the Fund spent Kshs.64,518,174 against actual receipts of Kshs.102,965,608 resulting to an under-utilization of Kshs.38,447,434 or 37% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the constituents.

My opinion is not modified in respect of this matter.

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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management had however, not resolved the issues or given any explanation for the failure to implement the recommendations.

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

Delayed Implementation of Projects

Review of Project Implementation Status (PIS) report revealed that fifty-five (55) projects related to environment projects, primary school projects and secondary school projects for the financial year 2022 - 2023 valued at Kshs.37,451,752 were not implemented as at 30 June, 2023.

In the circumstances, the public may have not obtained value for money and the expected benefits from the projects.

The audit was conducted in accordance with the ISSAI 4000. The Standard requires that I comply with ethical requirements, plan, and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, 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 THE 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 section 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

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, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 June, 2024

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

IX. Statement of Receipts and Payments for the Year Ended 30th June 2023


	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,447,000	168,388,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		87,447,000	168,388,879
Payments			
Compensation Of Employees	4	3,730,648	3,198,034
Committee expenses	5	5,308,800	3,025,000
Use Of Goods and Services	6	2,511,000	320,000
Transfers To Other Government Units	7	-	119,715,000
Other Grants and Transfers	8	49,678,933	45,294,891
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	3,288,793	-
Total Payments		64,518,174	171,552,925
Surplus/(Deficit)		22,928,826	(3,164,046)

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


The Constituency financial statements were approved by the NGCDFC on 15/09/ 2023 and signed by:



Fund Account Manager



National Sub-County
Accountant



Chairman NG-CDF
Committee

Name: Felix Ntutu

Name: Soi Kiprono
ICPAK M/No: 31062

Name: Bett Nicholas

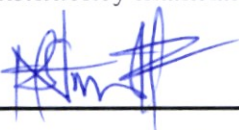
*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

X. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	22,928,826	7,364,732
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		22,928,826	7,364,732
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		22,928,826	7,364,732
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		22,928,826	7,364,732
Represented By			
Fund Balance B/Fwd	15	7,364,732	10,528,777
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		22,928,826	(3,164,046)
Net Financial Position		30,293,558	7,364,731


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

The Constituency financial statements were approved by NG CDFC on 15/09/ 2023 and signed by:




Fund Account Manager

Name: Felix Ntutu



National Sub-County
Accountant

Name: Soi Kiprono
ICPAK M/No: 31062



Chairman NG-CDF
Committee

Name: Bett Nicholas

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,447,000	168,388,879
Other Receipts	3	-	-
Total Receipts		87,447,000	168,388,879
Payments			
Compensation Of Employees	4	3,730,648	3,198,034
Committee Expenses	5	5,308,800	3,025,000
Use Of Goods and Services	6	2,511,000	320,000
Transfers To Other Government Units	7	-	119,715,000
Other Grants and Transfers	8	49,678,933	45,294,891
Oversight Committee Expenses	10	-	-
Other Payments	11	3,288,793	-
Total Payments		64,518,174	171,552,925
Total Receipts Less Total Payments		-	-
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		22,928,826	(3,164,046)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		22,928,826	(3,164,046)
Cash & Cash Equivalent At Start Of The Year	12	7,364,731	10,528,777
Cash & Cash Equivalent At End Of The Year	12	30,293,550	7,364,731

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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

The Constituency financial statements were approved by NGCDF on 15/09/ 2023 and signed by:



Fund Account Manager

Name: Felix Ntutu



**National Sub-County
Accountant**

**Name: Soi Kiprono
ICPAK M/No: 31062**



**Chairman NG-CDF
Committee**

Name: Bett Nicholas

Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	7,364,732	32,788,879.31	185,241,214.0	102,965,608	82,275,606	58%
Proceeds From Sale of Assets	-						
Other Receipts	-						
Totals	145,087,603	7,364,732	32,788,879.31	185,241,214.0	102,965,608	82,275,606	58%
Payments							
Compensation Of Employees	4,655,640	493,866	0	5,149,506.00	3,730,648	1,418,858	72%
Committee Expenses	5,754,674	2,478,640	3,496,638	11,729,952.00	5,308,800	6,421,152	45%
Use Of Goods and Services	5,099,616	792,660	0	5,892,276.00	2,511,000	3,381,276	43%
Transfers To Other Government Units	68,400,000	99,566	13,000,001	81,499,567.00	-	81,499,567	0%
Other Grants and Transfers	57,057,673	3,500,000	16,292,241	76,849,913.72	49,678,933	27,169,981	75%
Acquisition of Assets	620,000	493,866	-	620,000.00	-	620,000	0%
Oversight Committee Expenses	-	-	-	-	-	-	-
Other Payments	3,500,000.00	-	-	3,500,000	3,288,793	211,207	94%
Funds Pending Approval**	-	-	-	-	-	-	-
Totals	145,087,603	7,364,732	32,788,880	185,241,215	64,518,174	120,722,041	74%

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

- *Compensation of Employees; most staff's contract elapsed during the financial year hence low absorption of funds.*
- *Committee Expenses, low absorption was due to late disbursement of funds from NKGCDF Board*
- *use of goods and services; low absorption was due to late disbursement of funds from NKGCDF Board*
- *Transfers To Other Government Units; this was not achieved due to late disbursement of funds from NKGCDF Board*
- *Other Grants and Transfers; low absorption was due to late disbursement of funds from NKGCDF Board*
- *Acquisition of Assets; this was not achieved due to late disbursement of funds from NKGCDF Board*
- *Other Payments; the target was not realized due to late disbursement of funds from NG-CDF Board.*

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.

The reason for low absorption (below 90%) is due to the fact that there was delay of funds from the Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	120,722,041
Less undisbursed funds receivable from the Board as at 30 th June 2023	(82,275,606)
Increase/(decrease) Accounts payable	(788,145)
(Decrease)/Increase Accounts Receivable	(7,364,732)
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	30,293,558

The Constituency financial statements were approved by NG CDEC on 08/08/2023 and signed by:


Fund Account Manager

Name: Felix Ntutu


National Sub-County Accountant

Name: Soi Kiprono
ICPAK M/No: 31062


Chairman NG-CDF Committee

Name: Bett Nicholas

Chepalungu Constituency

**National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-Programme	Original Budget 2022/2023 Kshs	Adjustments			Final Budget 2022/2023 Kshs	Actual on comparable basis 6/30/2023 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Blk) and AIA Kshs	Previous Years'				
			Outstanding Disbursements Kshs				
1.0 Administration and Recurrent	10,705,256	2,966,968		271,458	13,943,682	8,445,448	5,498,234
1.2 Committee allowances	950,000	1,680,442		271,458	2,901,900	2,203,800	698,100
1.3 Use of goods and services	5,099,616	792,660	-	-	5,892,276	2,511,000	3,381,276
1.1 Compensation of employees	4,655,640	493,866	-	-	5,149,506	3,730,648	1,418,858
2.0 Monitoring and evaluation	4,103,798	798,198		3,225,180	8,127,176	1,662,000	6,465,176
2.1 Capacity building	351,169	702,866		797,134	1,851,169	-	1,851,169
2.2 Committee allowances	1,878,000	95,332		2,275,885	4,249,217	1,662,000	2,587,217
2.3 Use of goods and services	1,874,629	-		152,161.00	2,026,790	-	2,026,790
3.0 Emergency	7,636,190	-		4,438,207.00	12,074,397	3,108,000	8,966,397
3.1 Primary Schools	-	-		-	-	-	-
SHAZANT LTD	-	-		-	-	875,000	-875,000
SHAZANT LTD	-	-		-	-	675,000	-675,000

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
2022/2023	2022/2023			2022/2023	6/30/2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
SKY SCENT EMPORIUM	-	-	-	-	545,000	-545,000
SHAZANT LTD	-	-	-	-	750,000	-750,000
SHAZANT LTD	-	-	-	-	350,000	-350,000
SHAZANT LTD	-	-	-	-	325,000	-325,000
SKY SCENT EMPORIUM	-	-	-	-	600,000	-600,000
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
4.0 Bursary and Social Security	51,467,979	3,000,000	5,454,034	59,922,013	47,866,200.00	12,055,813
4.1 Secondary Schools	31,189,142	-	-	31,189,142	39,088,700	-7,899,558
4.2 Tertiary institutions Universities	20,000,000	-	-	20,000,000	623,623	11,222,500
						-
5.0 Roads	-	500,000.00	6,400,000	6,900,000	6,858,610.00	41,390
6.0 Sports	2,401,752	-	-	2,401,752	-	2,401,752
Constituency sports tournament	2,101,752	-	-	-	-	-
South rift regional sports tournament	300,000	-	-	-	-	-
6.0 Environment	2,401,752	-	-	-	-	-

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2022/2023			2022/2023	6/30/2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
planting of tree seedlings	2,401,752	-	-	-	-	-
7.0 Primary Schools Projects	44,350,000	99,566	3,496,638	47,896,638	-	47,896,638
Kapkesosio Primary school	600,000	-	-	600,000	-	600,000
Kaplelcehwo Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kaplewa Primary school	3,150,000	-	-	3,150,000	-	3,150,000
Kaplulukwa Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kapmenwo Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kapngetuny Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kapsomber Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kaptich Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kaptumo Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kaptumo Primary school	200,000	-	-	200,000	-	200,000

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements		comparable basis	
2022/2023	2022/2023			2022/2023	6/30/2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kaptwolo Primary school	950,000	-	-	950,000	-	950,000
Kimindilil Primary school	900,000	-	-	900,000	-	900,000
Kipranje Primary school	400,000	-	-	400,000	-	400,000
Kipsimbor Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Kiptagee Primary school	500,000	-	-	500,000	-	500,000
koitab kalyet Primary school	2,100,000	-	-	2,100,000	-	2,100,000
Kotoibek Primary school	1,000,000	-	-	1,000,000	-	1,000,000
Kuskong Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Lelbarak Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Leleichwet Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Mary Matunda Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Masasabei Primary school	1,050,000	-	-	1,050,000	-	1,050,000

Chepalungu Constituency

**National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-Programme	Original Budget	Adjustments			Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years'				
			Outstanding Disbursements	Kshs			
	2022/2023				2022/2023	6/30/2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Mombwo Primary school	1,050,000	-	-	-	1,050,000	-	1,050,000
Muganget Primary school	600,000	-	-	-	600,000	-	600,000
Ngonyot Primary school	1,050,000	-	-	-	1,050,000	-	1,050,000
Nogirwet Primary school	2,100,000	-	-	-	2,100,000	-	2,100,000
Ronda Primary school	600,000	-	-	-	600,000	-	600,000
Ronda Primary school	400,000	-	-	-	400,000	-	400,000
Sagana Primary school	500,000	-	-	-	500,000	-	500,000
Saramek Primary school	250,000	-	-	-	250,000	-	250,000
Siroriondo Primary school	1,050,000	-	-	-	1,050,000	-	1,050,000
Sugutek Primary school	1,050,000	-	-	-	1,050,000	-	1,050,000
Taita Primary school	1,050,000	-	-	-	1,050,000	-	1,050,000
Tilangok Primary school	1,000,000	-	-	-	1,000,000	-	1,000,000

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous		comparable basis	
	2022/2023		Years' Outstanding Disbursements	2022/2023	6/30/2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Tilyot Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Tirieta Primary school	1,050,000	-	-	1,050,000	-	1,050,000
Chelelach Primary School	1,050,000	-	-	1,050,000	-	1,050,000
Chepnyaliliet Primar School	1,050,000	-	-	1,050,000	-	1,050,000
Kamogiboi Primar School	1,050,000	-	-	1,050,000	-	1,050,000
Areiyet Primary School	-	-	500,000	500,000	-	500,000
Chebonjirai Primary School	-	-	300,000	300,000	-	300,000
Chebugon Primary School	-	-	1,000,000	1,000,000	-	1,000,000
Chemsa Primary School	-	-	220,000	220,000	-	220,000
Chenit Primary School	-	-	600,000	600,000	-	600,000
Chepkesai Primary School	-	-	400,000	400,000	-	400,000
Chepkorgong Primary School	-	-	476,638	476,638	-	476,638

***Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

Programme/Sub-Programme	Original Budget	Adjustments			Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Blk) and AIA	Previous Years'				
			Outstanding Disbursements	Kshs			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
8.0 Secondary Schools Projects (List all the Projects)	14,400,000	-	9,503,000	27,404,681	-	27,401,804	
Kamundugi Secondary School	1,050,000	-	1,050,000	2,100,000	-	2,100,000	
Kamusanga Secondary School	1,050,000	-	1,050,000	2,100,000	-	2,100,000	
Kabisimba Secondary School	400,000	-	400,000	800,000	-	800,000	
Kaptwolo Secondary School	1,050,000	-	1,050,000	2,100,000	-	2,100,000	
Kerichek Secondary School	1,050,000	-	1,050,000	2,100,000	-	2,100,000	
Kerundut Secondary School	1,050,000	-	1,000,000	2,050,000	-	2,050,000	
Kimaya Secondary School	1,050,000	-	1,010,000	2,060,000	-	2,060,000	

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-Programme	Original Budget	Adjustments				Final Budget	Actual on comparable basis			
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				2022/2023	6/30/2023	Budget utilization difference	
			Kshs	Kshs						Kshs
				Kshs	Kshs					
Kipkuror Secondary School	400,000	-	400,000		800,000	-	800,000			
Kipricheit Secondary School	400,000	-	400,000		800,000	-	800,000			
Mugenyi Secondary School	1,050,000	-	1,043,000		2,093,000	-	2,093,000			
Reberwet Secondary School	1,050,000	-	1,050,000		2,100,000	-	2,100,000			
Sigor Day Secondary School	1,050,000	-	-		1,050,000	-	1,050,000			
Siongiroi Secondary School	200,000	-	-		200,000	-	200,000			
Tilangok Secondary School	400,000	-	-		400,000	-	400,000			
Chelelach Secondary School	1,050,000	-	-		1,050,000	-	1,050,000			

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous		comparable basis	
	2022/2023		Years' Outstanding Disbursements	6/30/2023		
Kshs	Kshs		Kshs	Kshs	Kshs	Kshs
Chepnyaliliet Secondary School	1,050,000	-	-	1,050,000	-	1,050,000
Kamogiboi Secondary School	1,050,000	-	-	1,050,000	-	1,050,000
Kabisimba Secondary School	-	-	-	400,000	-	400,000
9.0 Tertiary institutions Projects (List all the Projects)	1,000,000	-	-	1,000,000	-	1,000,000
Chepalungu TTI	1,000,000	-	-	1,000,000	-	1,000,000
10.0 Security Projects	1,050,000	-	-	1,050,000	-	1,050,000
Bingwa assistant chief's office	250,000	-	-	250,000	-	250,000
Kabisimba chief's office	150,000	-	-	150,000	-	150,000
Kiboson assistant office	150,000	-	-	150,000	-	150,000
Kimaya chief's office	100,000	-	-	100,000	-	100,000
Kipkeigei chief's office	150,000	-	-	150,000	-	150,000
Kiriba assistant chief's office	150,000	-	-	150,000	-	150,000
Mogor chief's office	100,000	-	-	100,000	-	100,000
11.0 Acquisition of assets	620,000.00	-	-	620,000	-	620,000

***Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

Programme/Sub-Programme	Original Budget 2022/2023 Kshs	Adjustments				Final Budget 2022/2023 Kshs	Actual on comparable basis 6/30/2023 Kshs	Budget utilization difference
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs					
			Kshs	Kshs	Kshs			
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-	-	
11.2 Construction of CDF office	-	-	-	-	-	-	-	
11.3 Purchase of furniture and equipment	620000	-	-	-	620,000	-	620,000	
11.4 Purchase of computers	-	-	-	-	-	-	-	
12.0 Constituencies oversight committee expenses	1,450,876	-	-	-	1,450,876	1,443,000.00	7,876	
12.1 Committee Allowances	300,000	-	-	-	300,000	-	300,000	
12.2 Use of goods	1,150,876	-	-	-	1,150,876	-	1,150,876	
12.3	-	-	-	-	-	-	-	
13.0 Others	3,500,000	-	-	-	3,500,000	3,288,793	211,207	
13.1 Strategic Plan	3,500,000	-	-	-	3,500,000	3,288,793	211,207	
13.2 Innovation hub	0	-	-	-	-	-	-	
	0	-	-	-	-	-	-	
Funds pending approval**	0	-	-	-	-	-	-	
Total	145,087,603	7,364,732	32,788,517	185,241,215	64,518,174	120,722,041		

***Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

(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 Treasury

XIV. Significant Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-Chepalungu Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023

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.

XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO.B154278	-	21,388,879
AIE NO.B128782	-	12,000,000
AIE NO. B154383	-	12,000,000
AIE NO. B132467	-	5,000,000
AIE NO B105644	-	44,000,000
AIE NO. B140588	-	33,000,000
AIE NO. B105743	-	22,000,000
AIE NO. B104589	-	19,000,000
AIE NO. B185031	7,000,000.00	-
AIE NO. B185576	15,000,000.00	-
AIE NO. B206313	12,000,000.00	-
AIE NO. B205702	12,447,000.00	-
AIE NO. B205541	15,000,000.00	-
AIE NO. B185861	5,000,000.00	-
AIE NO. B185324	6,000,000.00	-
	15,000,000.00	-
TOTAL	87,447,000.00	168,388,879

2. Proceeds From Sale of Assets

	2022/2023	2021/2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

Chepalungu Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,889,282	3,152,918
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,841,366	-
Employer Contributions Compulsory national social security schemes	-	45,116
Total	3,730,648	3,198,034

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	2,203,800	1,611,000
Other committee expenses	1,662,000	1,414,000
Total	3,865,800	3,025,000

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	57,000	-
Communication, supplies and services	125,000	-
Domestic travel and subsistence	400,000.00	-
Printing, advertising and information supplies & services	93,000.00	-
Rentals of produced assets	-	-
Training expenses	255,000	-
Hospitality supplies and services	483,000	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,038,000	320,000
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank Charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	60,000	-
Total	2,511,000.00	320,000.00

Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	-	47,160,000
Transfers To Secondary Schools (See Attached List)	-	32,555,000
Transfers To Tertiary Institutions (See Attached List)	-	40,000,000
Total	-	119,715,000

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	39,088,700	24,452,187
Bursary – tertiary institutions (see attached list)	623,623	15,346,926
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	-
Sports projects (see attached list)	-	2,741,778
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	3,108,000	2,754,000
Roads projects (see attached list)	6,858,610	-
Total	49,678,933	45,294,891

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	-

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2022/2023</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Total	-	-

11. Other Payments

	<i>2022-2023</i>	<i>2022/2023</i>
	Kshs	Kshs
Strategic plan	3,288,793	-
ICT Hub	-	-
Total	3,288,793	-

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Access Bank, Bomet Branch.- NGCDF Chepalungu A/C no.0170100000072	22,928,826	7,364,732
	-	-
Total	22,928,826	7,364,732
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13. Outstanding Imprests

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

Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Notes to the Financial Statement Continued
14. Retention and Gratuity

14 A. Retention	2022/2023	2021/2022
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

14 B. Gratuity	2022/2023	2021/2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1st July 2022-1)	(1st July 2023-2)
	Kshs	Kshs
Bank accounts	7,364,732	10,528,777
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	7,364,732	10,528,777

[Provide short appropriate explanations as necessary]

16. Prior Year Adjustments

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

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022/2023	2021/2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	1,418,858	493,866
Committee expense	6,421,152	6,492,059
Use of goods and services	3,381,276	99,566
Amounts due to other Government entities (see attached list)	81,499,567	17,068,119
Amounts due to other grants and other transfers (see attached list)	27,169,981	
Acquisition of assets	620,00	3,000,000
Oversight Committee Expenses	-	-
Other Payments (<i>specify</i>)	211,207	-
Funds pending approval	-	-
Total	120,722,041	27,153,610

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	7,082	235,462

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff	-	-	-	-
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Sub-Total	-	-	-	-
Grand Total	-	-	-	-

***Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Annex 3 – Unutilized Fund***

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		1,418,858		
Use of goods & services		3,381,276		
Amounts due to other Government entities				
Areiyet Primary School	Completion of two classrooms: doors and windows fittings, plastering and painting at Kshs.250,000 each	500,000		
Chebonjirai Primary School	Completion of one classroom: doors and windows fitting, plastering and painting	300,000		
Chemsa Primary School	Purchase of 1 acre piece of land	250,000		
Chenit Primary School	Construction to completion of 4 door pit latrines with one chamber catering for the needs of Persons with Disabilities.	600,000		
Chepkesai Primary School	Construction to completion of 4 door pit latrines with one chamber catering for the needs of Persons with Disabilities.	400,000		
Chepkorgong Primary School	Construction to completion of one classroom	1,050,000		
Chepngungul Primary School	Construction to completion of one classroom	1,050,000		
Cheptangulgei Primary School	Purchase of 1 acre piece of land	150,000		
Chepwostuiyet Primary School	Construction to completion of 4 door pit latrines with one chamber catering for the needs of Persons with Disabilities.	400,000		
Chepwostuiyet Primary School	Completion of two classroom: doors and windows fitting, plastering and painting at Kshs. 500,000	1,000,000		

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Chesogori Primary School	Completion of one classroom: doors and windows fitting, plastering and painting	500,000		
Gelengei Primary School	Construction of one classroom to completion	1,050,000		
Kamosos Primary school	Completion of two Classrooms: doors and windows fitting, plastering and painting at Kshs.350,000 each	700,000		
Kapampan Primary school	Completion of one classroom: doors and windows fitting, plastering and painting	300,000		
Kapchumbe Primary school	Purchase of 1 acre piece of land	600,000		
Kapindisin Primary school	Completion of one classroom: doors and windows fitting, plastering and painting	500,000		
Kapkesosio Primary school	Completion of one classroom: doors and windows fitting, plastering and painting	600,000		
Kaplewa Primary school	Construction to completion of three classrooms	3,150,000		
Kapmenwo Primary school	Construction to completion of one classroom	1,050,000		
Kaptumo Primary school	Completion of one classroom: doors and windows fitting, plastering and painting	200,000		
Kaptwolo Primary school	Completion of two classrooms: doors and windows fitting, plastering and painting	950,000		
Kimaya Primary school	Construction to completion of four classrooms.	4,250,000		
Kimindilili Primary school	Completion of three classrooms: doors and windows fitting, plastering and painting	900,000		
Kipranye Primary school	Completion of one Classrooms: doors and windows fitting, electrical works, plastering and painting.	400,000		

***Chepatungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Kipsimbol Primary school	Construction to completion of one classroom	1,050,000		
Kipsirat Primary school	Construction to completion of 4 door pit latrines with one chamber catering for the needs of Persons with Disabilities.	400,000		
Kiptagee Primary school	Construction to completion of 4 door pit latrines with one chamber catering for the needs of Persons with Disabilities.	400,000		
Kiptagee Primary school	Completion of one Classroom: doors and windows fitting, electrical works, plastering and painting.	500,000		
koitab kayet Primary school	Construction to completion of two classrooms	2,100,000		
Koiyet Primary school	Completion of one Classroom: doors and windows fitting, electrical works, plastering and painting.	400,000		
Kotoibek Primary school	Construction to completion of one classroom	1,050,000		
Kuskong Primary school	Construction to completion of one classroom	1,050,000		
Lelbarak Primary school	Construction to completion of one classroom	1,050,000		
Lelboinet Primary school	Purchase of 1 acre piece of land	350,000		
Leleichwet Primary school	Construction to completion of one classroom	1,050,000		
Mary Matunda Primary school	Construction to completion of one classroom	1,050,000		
Masasabei Primary school	Construction to completion of one classroom	1,050,000		
Mombwo Primary school	Construction to completion of one classroom	1,050,000		
Muganget Primary school	Completion of two Classrooms: doors and windows fitting, electrical works, plastering and painting at	600,000		

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	Kshs.300,000 each			
Ngonyot Primary school	Construction to completion of one classroom	1,050,000		
Nogirwet Primary school	Construction to completion of two classrooms	2,100,000		
Ronda Primary school	Completion of two Classrooms: doors and windows fitting, electrical works, plastering and painting at Kshs.300,000 each	600,000		
Ronda Primary school	Purchase of 1 acre piece of land	400,000		
Sagana Primary school	Purchase of 1 acre piece of land	500,000		
Saramek Primary school	Completion of one Classroom: doors and windows fitting, electrical works, plastering and painting	250,000		
Siroriondo Primary school	Construction to completion of one classroom	1,050,000		
Sugutek Primary school	Construction to completion of one classroom	1,050,000		
Taita Primary school	Construction to completion of one classroom	1,050,000		
Tilangok Primary school	Completion of three Classrooms: doors and windows fitting, electrical works, plastering and painting at Kshs.333,333.33 each	1,000,000		
Tilyot Primary school	Construction to completion of one classroom	1,050,000		
Tirieta Primary school	Construction to completion of one classroom	1,050,000		
Chelelach Secondary School	Construction to completion of one classroom	1,050,000		
Chepnyaliliet Secondary School	Construction to completion of one classroom	1,050,000		
Kamogiboi Secondary School	Construction to completion of one classroom	1,050,000		

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Kamundugi Secondary School	Construction to completion of one classroom	1,050,000		
Kamusanga Secondary School	Construction to completion of one classroom	1,050,000		
Kabisimba Secondary School	Completion of one Classroom: doors and windows fitting, electrical works, plastering and painting	400,000		
Kaptwolo Secondary School	Construction to completion of one classroom	1,050,000		
Kerichek Secondary School	Construction to completion of one classroom	1,050,000		
Kerundut Secondary School	Construction of 40 students' capacity laboratory to lintel level	1,050,000		
Kimaya Secondary School	Construction of 40 students' capacity laboratory to lintel level	1,050,000		
Kipkuror Secondary School	Construction to completion of 4 door pit latrines with one chamber catering for the needs of Persons with Disabilities.	400,000		
Kipricheit Secondary School	Completion of one Classroom: doors and windows fitting, electrical works, plastering and painting	400,000		
Mugenyi Secondary School	Construction of 40 students' capacity laboratory to lintel level	1,050,000		
Reberwet Secondary School	Construction to completion of one classroom	1,050,000		
Sigor Day Secondary School	Construction to completion of one classroom	1,050,000		
Siongiroi Secondary School	Completion of one Classroom: doors and windows fitting and painting	200,000		
Tebeswet Secondary School	Purchase of 1 acre piece of	500,000		
Tilangok Secondary School	Purchase of 1 acre piece of land	400,000		
Chepalungu Technical Training Institute	Construction to completion of 10 door pit latrines 4 doors for gents and 4 for ladies with 1 chamber for both gender	1,000,000		

***Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	each catering for the needs of Persons with Disabilities.			
Sub-Total		65,850,134	7,085,491	
Amounts due to other grants and other transfers		37,946,151	17,068,119	
Bursary Secondary Schools	Payment of bursary to needy students in secondary schools	26,099,029		
Bursary Tertiary Institutions (Colleges & Universities)	Payment of bursary to needy students in Tertiary Institutions (colleges & universities)	20,000,000		
Sub-Total		111,949,163	24,153,610	
Acquisition of assets	Purchase of furniture/equipment for fund account manager and secretary office	620,000		
Oversight Committee Expenses (itemize)				
Others (<i>specify</i>)				
Sub-Total		120,722041	24,153,610	
Funds pending approval			3,000,000	
Grand Total		120,722041	27,153,610	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	16,868,000
Buildings and structures	-	-	-	6,200,000
Transport equipment	-	-	-	448,000
Office equipment, furniture and fittings	-	-	-	-
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	-	-	-	23,516,000

Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
CHEPNYALILIET CENTRAL PRIMARY SCHOOL	ACCESS BANK	170200000035		2,660
LELBOINET PRIMARY SCHOOL	ACCESS BANK	170200000038		516
KIPSIRAT PRIMARY SCHOOL	ACCESS BANK	170230000753		65,835
SAKANA PRIMARY SCHOOL	ACCESS BANK	170200000032		1,572
KIPSIRAT SOT PRIMARY SCHOOL	ACCESS BANK	170200000061		7,824
NYAMBUGO SECONDARY SCHOOL	ACCESS BANK	170200000063		137,443
CHESARUR PRIMARY SCHOOL	ACCESS BANK	170200000071		13,336
KURMANA PRIMARY SCHOOL	ACCESS BANK	170200000065		106
KAPTEMBWO PRIMARY SCHOOL	ACCESS BANK	170200000060		1,709
ITEMBE PRIMARY SCHOOL	ACCESS BANK	170200000074		1,770
MOTIGERE PRIMARY SCHOOL	ACCESS BANK	170200000080		521
LUGUMEK PRIMARY SCHOOL	ACCESS BANK	170200000090		2,172
KIPRANYE PRIMARY SCHOOL	ACCESS BANK	170200000035	3,452	
ST. MICHAEL PRIMARY SCHOOL	ACCESS BANK	170200000037	800	
CHEBIR PRIMARY SCHOOL	ACCESS BANK	170200000060	720	
METIPSO PRIMARY SCHOOL	ACCESS BANK	702000000059	1225	
KAPISOGE PRIMARY SCHOOL	ACCESS BANK	170200000047	585	
KIMATISIO PRIMARY SCHOOL	ACCESS BANK	170200000073	300	
Total			7,082	235,462

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Cash and Cash Equivalents i. The statement of assets and liabilities reflects cash and cash equivalent balance of Kshs.16,528,777 as detailed in Note 10A to the financial statements which differs with the bank reconciliation cash book balance of Kshs.10,528,777 leading to un reconciled variance of Kshs.6,000,000.</p>	<p><i>The unreconciled variance of Kshs.6,000,000 was wrongly captured in form of double entry leading to unreconciled leading to variance of Kshs. 6,000,000, however the same has been rectified in the financial statement.</i></p>	<p>Resolved</p>	<p>14 Days</p>
	<p>Included in the bank reconciliation statement are unrepresented cheques amounting to Kshs.26,984,496.53 out of which cheques of Kshs.8,091,314 were stale as at 30 June 2022. The stale cheques had long expired but no action, investigation or reversal had been done as at 30 June 2022. Further, included in the unrepresented</p>	<p>All the stale cheques have since been reversed and re issued to various institutions to the deserved beneficiaries. This was occasioned by the covid19 pandemic which paralyzed learning activities</p>		<p>14 Days</p>

*Chepalungu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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)
	cheque amount is Kshs.5,000,000 relating to amounts transferred in the bank through an electronic funds transfer to the beneficiary schools and therefore erroneously reflected as unrepresented cheque in the reconciliation.	leading to the unrepresented cheques. The Kshs.5,000,000 transferred was funds for the purchase of 46 seater capacity bus for Mengwet secondary school.		
	<p>Summary of Fixed Assets Register Annex 4 to the financial statements on summary of fixed asset register reflects Kshs.23,516,000 in respect of total assets comprising of buildings and structures Kshs.16,868,000, transport equipment (Motor Vehicles) Kshs.6,200,000 and office equipment, furniture and fittings Kshs.448,000. However, the ownership documents for land where the buildings stand and motor vehicle log book were not provided for audit review.</p>	The ownership a document of the land was not availed during the audit exercise, however the document which validates and shows the ownership of land is with the District County Commision. We sits on a public land owned by the mentioned above. We have made communication for the said documents to be presented to our office for purpose of audit review and verification.	Resolved	14 Days

Chepalungu Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

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>Other Grants and Transfers 1.1 Emergency Reserves Note 7 to the financial statements reflects other grants and transfers of Kshs.56,336,000 out of which Kshs.6,918,000 relates to emergency projects. However, no evidence to the effect that utilization of emergency reserve was reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 was not produced for audit review.</p>	<p>The Kshs.6,918,000 was issued to various institutions but during the audit exercise payment vouchers was not presented, however, during our management response all the payment vouchers were presented for review. We have also install measures to steadfast the process to communicate to the Board regarding the emergency in the constituency.</p>	Resolved	14 Days

.....
 Name: Felix Ntutu
 Fund Account Manager.

