

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY	
DATE:	20 JUL 2022
TABLED BY:	Hon. Naomi Wago, MP
OF	Deputy Majority Whip
CLERK AT THE TABLE:	Enlaya Muzuki

THE AUDITOR-GENERAL

ON

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

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



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

23 MAY 2023

RECEIVED



LUANDA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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



Table of Contents

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

I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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



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

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

- i. National Government Constituencies Development Fund Board (NGCDFB)

ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Benard Konya
2.	Sub-County Accountant	Boniface Khadolwa
3.	Chairman NGCDFC	Samuel Mbatia
4.	Member NGCDFC	Ruth Owour

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Luanda Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Luanda Constituency NGCDF Headquarters

P.O. Box 536- 50307
CDF OFFICE Building/House/Plaza
Kima Majengo Road/Highway
Nairobi, KENYA

(f) Luanda Constituency NGCDF Contacts

Telephone: (254) 720592929
E-mail: cdfluanda@ngcdf.go.ke
Website: www.go.ke



(g) Luanda Constituency NGCDF Bankers

(h) P.O. Box 536- 50307

(i) CDF OFFICE Building/House/Plaza

(j) Kima - Majengo Road/Highway

(k) Nairobi, KENYA

(l) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(m) Principal Legal Adviser

The Attorney General

State Law Office

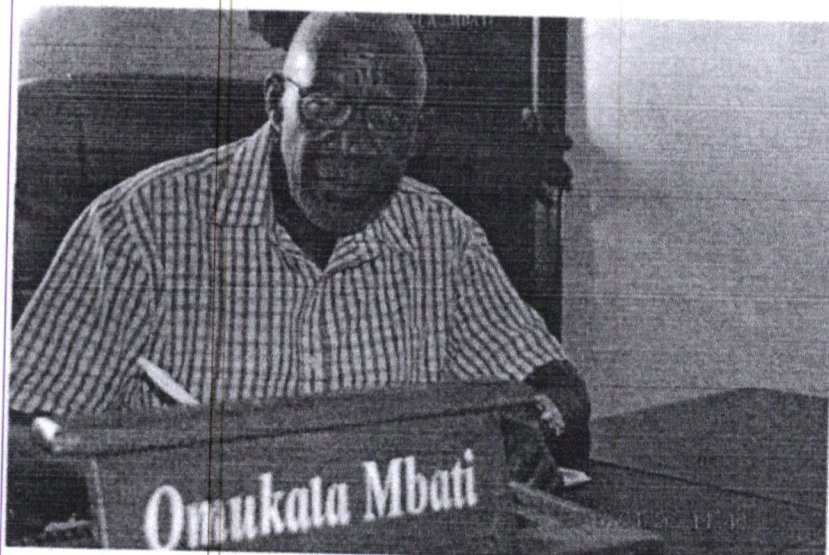
Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairman's Report



FORWARD BY THE CHAIRMAN LUANDA NG-CDF COMMITTEE.

The Luanda National Government Constituency Development Fund committee has a primary role of implementing budgets that have been approved by the NG-CDF Board within stipulated time to enable the end users access improved infrastructure facilities in Education Projects , Bursaries for public Institutions as well as special Schools within the constituency, Security and Environmental Projects.

I appreciate the role played by

local stakeholders and Project Management Committees from the five wards who work closely with the Luanda NG-CDF Committee in identifying and prioritizing community projects to be implemented with regard to realizing the vision 2030.

The Luanda NG-CDFC in consultation with other stakeholders has highlighted the importance and relevance of actualizing targets on proposed projects by strict adherence to the 2015 NG-CDF Act which outlines clearly the government financial regulations and procedures which are subject to audit.

The guidelines highlighted with the regulations play an integral role with regard to ensuring strict adherence to procurement procedures while sourcing for service providers within our constituency. This in turn prevails a conducive environment for project implementation which occasions economies of scale to both the funding agencies and other related entities.

I am grateful to the entire committee and the Fund Manager for dedicating their efforts towards ensuring transparency, accountability, efficiency in utilization of public funds. This has enabled us to realize tremendous and significant contributions to the entire society with special focus on youth and persons with special needs besides being able to equitably distribute resources within the five wards in Luanda Constituency as guided by our 2018-2023 Strategic Development Plan and the Luanda constituency bi annual Public Participation forums of F/Y 2020 - 2023.

Besides evaluating our success since the inception of the fund, the committee is anticipating the implementation to completion of its strategic projects in our five administrative wards.

Among major milestones realized by the Luanda NG-CDF Committee since the inception of the fund include;

- I. Construction of 10 modern classes for school relocation at Emululu Primary School
- II. Enrolment of over 230 students on fully sponsorship Bursary Program in institutions within Luanda Constituency
- III. Improvement of Mumboha Secondary School Playground
- IV. Completion of the Luanda NG-CDF Offices



Luanda Constituency

National Government Constituencies Development Fund (NGCDF)

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

V. Acquisition of Land for establishment of Esiandumba , Mukhalakhala and Ebusakami, Emabungo and Irumbi Chiefs Camps etc.

VI. Inception of New Public education institutions including;

- a) Kayila Secondary School
- b) Mulwakhi Secondary School
- c) Esibeye Girl's Secondary School
- d) Khunmuseno Primary School

VII. Relocation of Mumboha Secondary School and Emululu Primary School

VIII. Drilling and equipment of Boreholes at Emululu Primary School and Ebwali Secondary school

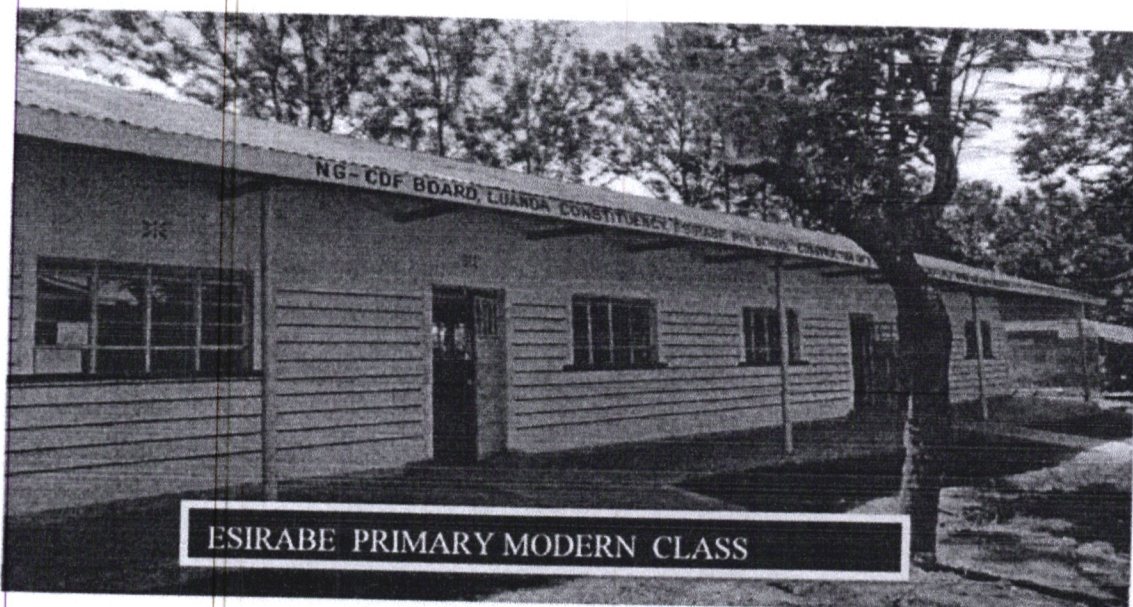
IX. Construction of Storey building dormitory facilities at Ebusakami and Ekwanda secondary schools.

X. Construction of One Storey Tuition Blocks at Kayila and Esibeye Primary Schools, Mumboha and Ibubi Secondary schools

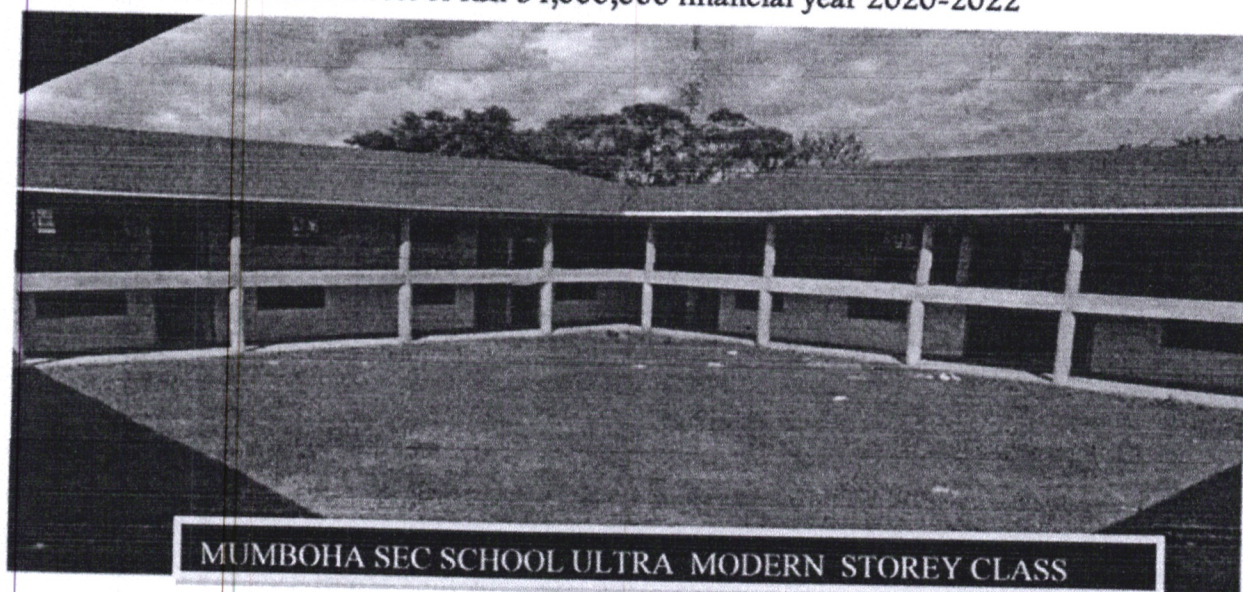
Khwiliba Primary School construction of one storey building comprising of 8 classroom at accost of Kshs 14,300,000 financial year 2018-2021



Esirabe Primary School construction of 3 classrooms at cost of Kshs 3,000,000 financial year 2021-2022

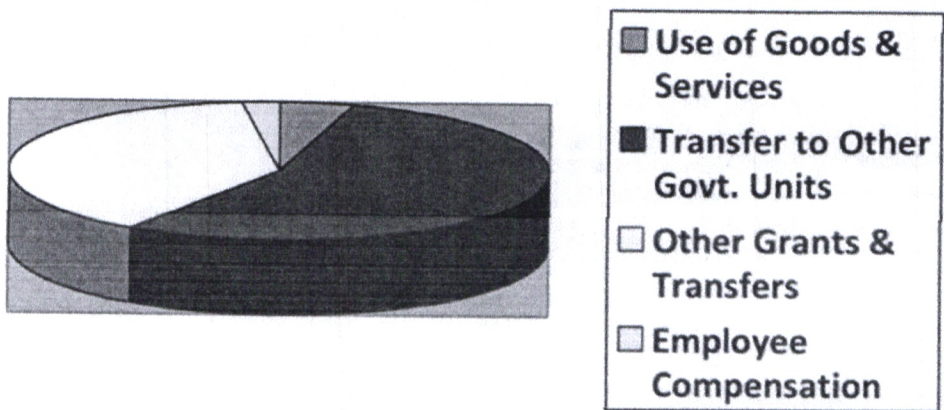


Mumboha Seconadry School one storey building comprising of 16 classroom, 4 labarotory and administration block at a cost of Ksh 54,000,000 financial year 2020-2022

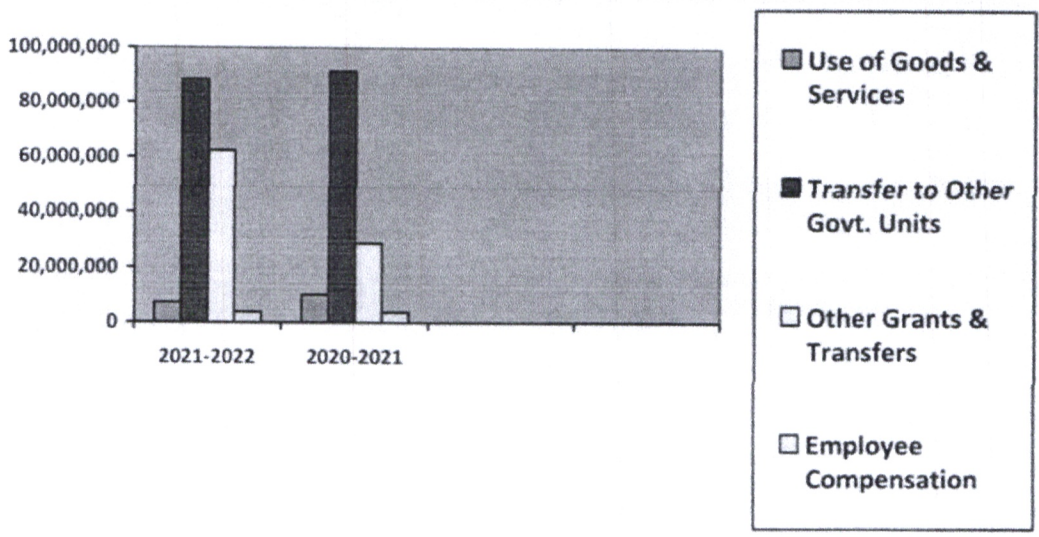


Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Luanda NG CDF was allocated Kshs 138,088,879 the during the financial year 2021/2022. The constituency had a final budget of Ksh 211,130,816 which included the original budget of Kshs 137,088,879 for financial 2021-2022 plus a cashbook opening balance of Kshs 32,253,059 as at 1st July 2021 and Kshs 41,788,879 Owed to the constituency as at June 2021. The constituency spend Kshs180, 784,218 during the financial year under review translating to 77%.



STATEMENT OF EXPENDITURE COMPARISON BETWEEN FY2020-2021 AND 2021-2022

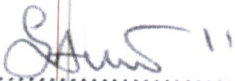


*Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

We are well aware of the challenges that may have impacted negatively towards the implementation process and most notably are the emergency of Covid 19 pandemic, conflicts of interest between P M Cs and Local Contractors, issues of duplication of projects with the county government resulting to double funding and delayed disbursement of funds by the National Government for timely implementation of approved projects.

My committee appreciates the current trend on emerging issues and shall continue to observe and promote the health protocols with regard to matters concerning Corona Virus mitigation, carry out its mandate in accordance with the Law and in constant consultation with relevant stakeholders.

We endeavor to focus our energies in the right direction considering strong values and commitment that shall translate into a delivering culture to the entire constituency.



.....
Mr. Samuel O. Mbatia,

Chairman NG CDF COMMITTEE.

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III. Statement of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<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 21/22 we increased number of primary classrooms to 32 from 24 and secondary school to 18 from 12. The constituency constructed 6 dormitories during the year from 4. A total of 8000 students benefited from bursary. 5,350 students in secondary level and 2,650 in tertiary level
Security	To have modern police station and post at the constituency	Access quality police services and reduce crime rate	Number of crime reported	Luanda NG CDF purchase 1 acre piece of land for construction of chiefs camp
Environment	Have clean and	Access to good	No of sanitary	During financial

Luanda Constituency

National Government Constituencies Development Fund (NGCDF)

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

	healthy environment	sanitation facilities	facilities constructed	year under review, Luanda NG CDF constructed 16 pit latrine in 4 schools
Sports	Tapping youths and women talents	Increased number talents for both youths and women	Number of tournament held during the year	Held sports tournament during the month of September through to December
Emergency	To cater for unforeseen occurrences in the constituency	Preparedness and ready for any unforeseen events and occurrences	No of unbudgeted projects in the constituency	Luanda NG CDF allocated a total of Kshs 7,192,207 To cater for unforeseen events



IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Luanda NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

Luanda 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-

Luanda 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.

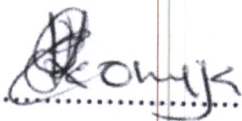
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



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BENARD KONYA
FUND ACCOUNT MANAGER



V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Luanda Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

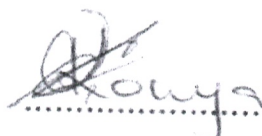
The Accounting Officer in charge of the NGCDF Luanda Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for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

Approval of the financial statements

The NGCDF- Luanda Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.



.....
Name: SAMUEL MBATI
Chairman – NGCDF Committee

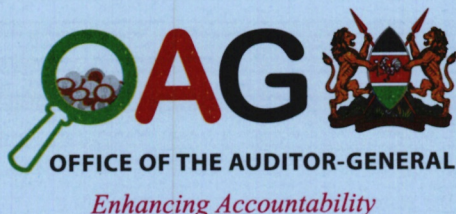


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Name: BENARD KONYA
Finance Account Manager



REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Luanda Constituency set out on pages 1 to 34, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement

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

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

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

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10A reflects bank balance of Kshs.18,983,371. Review of cash book revealed that cheque recording in the cash book were not sequential. Review of the bank reconciliation statement indicated that cheques amounting to Kshs.456,698 remained outstanding for over six (6) months. Management failed to provide explanations as to why the amount had not been reversed in the cashbook.

In the circumstances, the accuracy and completeness of the bank balance could not be confirmed.

2. Compensation of Employees

The statement of receipts and payments reflects compensation of employees Kshs.3,758,402. Records provided for audit review revealed that one employee whose contract expired on 02 January, 2022 was paid up to June, 2022. As such, he was irregularly compensated for six months amounting to Kshs.144,816.

In the circumstances, the propriety of Kshs.144,816 could not be confirmed.

3. Transfer to Other Government Units

The statement of receipts and payments reflects transfers to other government units amount of Kshs.89,226,844.

Included in this amount is Kshs.41,233,433 in respect to transfers to Primary Schools out of which Kshs.14,300,000 were not supported with transfer records.

In the circumstances, the accuracy and propriety of Kshs.14,300,000 could not be confirmed.

4. Other Grants and Transfers

The statement of receipts and payments and as disclosed in Note reflects other grants and transfers Kshs.60,533,774,332,509. Records provided for audit review revealed the following anomalies;

4.1 Bursary (Secondary and Tertiary)-Acknowledgement Receipts

Included in other grants and transfers is Kshs.32,828,000 and Kshs.12,780,000 in respect to Bursary to Secondary Schools and Tertiary Institutions. However, Management failed to provide acknowledgement receipts and bursary returns from the institutions.

4.2 Unsupported Expenditure Other Grants and Transfers

Included in other grants and transfers is Kshs.2,779,989 and Kshs.8,605,352 in respect of emergency and sport projects respectively, out of which Kshs.2,177,500 was not supported with procurement files and payment vouchers.

In the circumstances, the accuracy and completeness of other grants and transfers of Kshs.60,533,774 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Luanda Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final revenue budget and actual on comparable basis of Kshs.211,130,816 and Kshs.180,784,218 respectively resulting to under-funding of activities by Kshs.30,346,598 or 14% of the budget. Similarly, the Fund expended Kshs.161,800,848 against expenditure budget of Kshs.211,130,817 resulting to under-expenditure of Kshs.49,329,969 or 23% of the budget.

The underfunding and under-expenditure affected planned activities and programs and impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report for the previous year several issues were reported under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, the matters raised remained unresolved as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Emergency Expenditure

The statement of receipts and payments reflects other grants and transfers of Kshs.60,533,774 which, as disclosed in Note 7 to the financial statements, includes emergency projects payments of Kshs.8,605,352. Review of payment vouchers provided indicate that an amount of Kshs.3,809,500 was paid out of the emergency vote contrary to Section 8(3) of the National Constituency Fund Act, 2015 which states that emergency "shall be construed to mean an 'urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

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

2. Review of Projects

2.1 Incomplete School Project at Esibeye Primary School

Review of records provided for audit review revealed that on 4 February, 2019, the CDF Management entered into a contract agreement with a Contractor through Tender No. LND/NGCDF/07/2018-2019 for the construction of classrooms, library and administration offices at Esibeye Primary School at a contract price of Kshs.20,500,000. The project was estimated to be completed on 3 December, 2019. However, a physical verification of the project during the month of March, 2023, revealed that the building was still incomplete twenty-eight months after the intended completion and the site appeared to have been abandoned, an indication that the project had stalled. No evidence of extension of the completion period was provided for audit review. Additionally, no performance bond was provided for audit review. Expenditure returns and other payment records indicated that a total of Kshs.17,533,303 had been paid to the contractor which include Kshs.8,256,200 in the year under review, representing 85% yet the works were incomplete. No satisfactory explanations were provided for the unsatisfactory state of affairs.

In the circumstances, value for money from the expenditure totalling Kshs.17,533,303 incurred on the stalled project may not have been received.

2.2 Incomplete School Project at Khwiliba Primary School

Review of records provided for review revealed that amount of Kshs.2,800,000 was paid to a Contractor towards storm water control and drainage works at Khwiliba Primary

School playground. Physical verification of the project site revealed that the works were incomplete and the contractor was not on site depicting that the works had stalled.

In addition, Management did not provide the following project documents for verification:

- Contract agreement
- Performance bond
- Project implementation status report

In the circumstances, it was not possible to confirm whether the stakeholders got value for money.

2.3 Projects at Ekwanda Secondary School

The statement of financial performance reflects transfer to other government unities of Kshs.89,226,844 as transfer to other Government agencies. This amount includes Kshs.47,993,411 in relation to transfer to Secondary Schools. It was noted that Kshs.4,000,000 was transferred to Ekwanda Secondary School for additional funds for the completion of two storey dormitory with a capacity of 400 students. As at the time of the audit, it was noted that the project was partially completed and partially put into use (Ground and First Floor). The construction of ablution section was not done concurrently with the respective floors as per the architectural drawings. The Ablution section had been done to the foundation level.

In the circumstances, it was not possible to confirm whether the Secondary school got value for money.

2.4 Project at Esiandumba Secondary School

During the audit, it was noted that Kshs.5,000,000 was transferred to Esiandumba Secondary School for the Construction of three storey laboratory. Review of Project Implementation Status Report as at 30 June, 2022 revealed that in the financial year 2017/2018, Kshs.2,000,000 was the approved allocation for the construction of three storey laboratory (excavation, foundation, walling and ground floor slab and walling to the ring beam at an estimated cost of Kshs.26,000,000 with an estimated date of 30 June, 2019 and therefore the project was in progress.

In the financial year 2019/2020, it is indicated that Kshs.2,000,000 was the approved allocation for the construction of three storey Laboratory (walling and ground floor slab and walling to the ring beam at an estimated cost of Kshs.24,000,000 with an estimated date of 30 June, 2020.

In the financial year 2020/2021, it is indicated in the PIS that Kshs.4,000,000 was the approved allocation as additional for the completion of 1st phase of three storey science laboratory and administration block with a capacity of 240 students (walling, 1st floor slab, window and door fitting, plaster and painting at an estimated cost of Kshs.14,000,000 with an estimated completion date of 30 June, 2021.

Audit inspection carried out during the month of March, 2023 revealed the following;

- Architectural drawings indicate 4 floors (Ground floor and three floors up)

- Architectural drawings for beams and columns indicate 3 floors (Ground floor and two floors up)
- Contractor on sight confirmed, the project has three floors.
- No BQ was provided
- No revised architectural drawings of three floors provided
- Walling done for the ground floor to ring beam level
- There is inconsistent regarding the status of the project as highlighted above (In the financial year 2019/2020, the project is indicated complete and in the year 2020/2021 indicated as ongoing at ring beam level.

The budget execution by sectors as presented in the financial statements indicate that Kshs.8,000,000 was allocated in the year ended 30 June, 2022 and actual expenditure amounted to Kshs.6,253,401. However, the actual amount disbursed to the School during the year amounted to Kshs.5,000,000 out of Kshs.2,000,000 relates to previous year disbursements and Kshs.3,000,000 as the actual expenditure for the financial year ended 30 June, 2022, resulting to a variance of Kshs.3,253,401.

In the circumstances, it could not be confirmed when the Project will be completed and whether value for money would be obtained from the payments.

2.5 Project-Mumboha Secondary School

The statement of financial performance reflects transfer to other government units amount of Kshs.89,226,844 as transfer to other Government Agencies. This amount includes Kshs.47,993,411 in relation to transfer to Secondary Schools. It was noted that Kshs.25,001,762 was transferred to Mumboha Secondary School for the construction of two storey building comprising 12 classrooms, 4 laboratories and administration block at a cost of Kshs.56,000,000 as indicated in the Project Implementation Status (PIS) as at 30 June, 2022.

A visit to the school however, revealed that the contractor was not on site yet the project was not fully completed as painting and fixing of rails was not done.

The budget execution by sectors as presented in the financial statements indicate that the school had an opening balance of Kshs.3,109,426 and previous year's outstanding disbursements of Kshs.8,993,013 and therefore a final budget of Kshs.12,102,441 as at 30 June, 2022. The actual expenditure as stated in the budget execution amounted to Kshs.11,925,107. While the actual amount as per the financial statements amounted to Kshs.25,001,762 thereby resulting into a variance of Kshs.13,076,655.

In the circumstances, it could not be confirmed when the Project will be completed and whether value for money would be obtained from the payments.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 Fund's activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 June, 2023

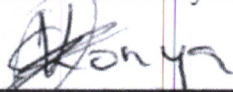
Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022


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


	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	148,531,159	166,167,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		148,531,159	166,167,724
PAYMENTS			
Compensation of employees	4	3,758,402	3,775,082
Use of goods and services	5	8,281,828	9,923,743
Transfers to Other Government Units	6	89,226,844	91,606,632
Other grants and transfers	7	60,533,774	28,737,698
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		161,800,848	134,043,155
SURPLUS/DEFICIT		(13,269,689)	32,124,569

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

The Constituency financial statements were approved on _____ 2022 and signed by:


Fund Account Manager


**National Sub-County
 Accountant**


**Chairman NG-CDF
 Committee**

Name: BENARD KONYA

Name: BONIFACE
 KHADOLWA
 ICPAK M/No:

Name: SAMUEL MBATI

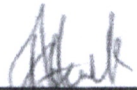



VIII. Statement of Assets and Liabilities As At 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	18,983,371	32,253,058
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		18,983,371	32,253,058
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		18,983,371	32,253,058
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		18,983,371	32,253,058
Net Financial Assets		18,983,371	32,253,058
Represented By			
Fund Balance B/Fwd	13	32,253,059	128,490
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(13,269,689)	32,124,569
Net Financial Position		18,983,370	32,253,059

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

The Constituency financial statements were approved on _____ 2022 and signed by:

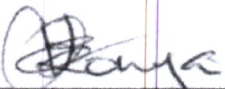
		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
: BENARD KONYA	Name: BONIFACE KHADOLWA ICPAK M/No:	Name: SAMUEL MBATI

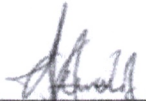
X. Statement of Cash Flows for the Year Ended 30th June 2022

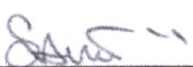
	Notes	2021 – 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	148,531,159	166,167,724
Other Receipts	3	=	=
Total Receipts		148,531,159	166,167,724
Payments			
Compensation Of Employees	4	3,758,402	3,775,082
Use Of Goods and Services	5	8,281,828	9,923,743
Transfers To Other Government Units	6	89,226,844	91,606,632
Other Grants and Transfers	7	60,533,774	28,737,698
Other Payments	9	-	-
Total Payments		161,800,848	134,043,155
Total Receipts Less Total Payments		-	-
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(13,269,689)	32,124,569
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(13,269,689)	32,124,569
Cash & Cash Equivalent At Start Of The Year	10	32,253,059	128,490
Cash & Cash Equivalent At End Of The Year	10	18,983,370	32,253,059

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

The Constituency financial statements were approved on _____ 2022 and signed by:


 Fund Account Manager


 National Sub-County Accountant


 Chairman NG-CDF Committee

Name: BENARD KONYA

Name: BONIFACE
 KHADOLWA
 ICPAK M/No:

Name: SAMUEL MBATI



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

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	32,253,059	41,788,879	211,130,816	180,784,218	30,346,598	85%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
Totals	137,088,879	32,253,059	41,788,879	211,130.817	180,784,218	30,346,598	85%
Payments							
Compensation Of Employees	3,856,160	774,968	-	4,631,128	3,758,402	872,726	81.2%
Use Of Goods and Services	7,834,540	1,098,735	-	8,933,275	8,281,828	651,447	91.7%
Transfers To Other Government Units	74,258,039	3,109,428	27,615,679	104,983,146	89,226,844	16,456,302	94.8%
Other Grants and Transfers	51,140,140	26,516,944	3,773,200	82,032,016	60,533,774	20,798,242	76.0%
Acquisition Of Assets	-	1,146,490	-	1,146,490	-	1,146,490	0.0%
Other Payments	-	103,497	-	103,497	-	103,497	0.0%
Funds Pending Approval**	-	-	10,400,000	10,400,000	-	10,400,000	0.0%
Totals	137,088,879	32,253,059	41,788,879	211,130,817	161,800,848	49,329,969	77%

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

Explanatory Notes .

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]


(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

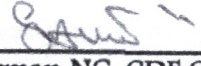
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	49,329,969
Less undisbursed funds receivable from the Board as at 30 th June 2022	30,346,598
	18,983,371
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	18,983,371

The Constituency financial statements were approved on _____ 2022 and signed by:


 Fund Account Manager
 Name: BERNARD KONYA



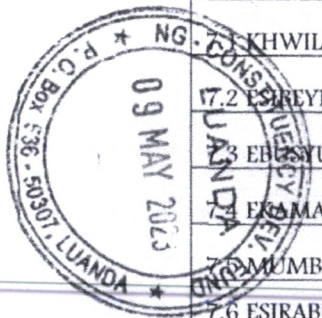

 National Sub-County Accountant
 Name: BONIFACE KHADOLWA
 ICPAK M/No:


 Chairman NG-CDF Committee
 Name: SAMUEL MBATI

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

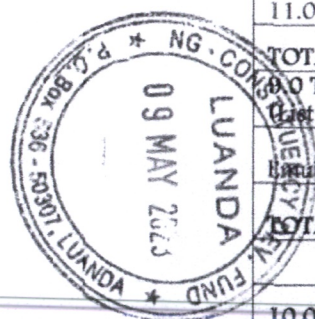
Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,856,168	774,968	-	4,631,136	3,758,402	872,734
1.2 Committee allowances	1,464,000		-	1,464,000	1,464,000	-
1.3 Use of goods and services	2,473,632		-	2,473,632	1,896,972	576,660
Total	7,793,800	774,968	-	8,568,768	7,119,374	1,449,394
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,300,000		-	1,300,000	1,234,690	65,310
2.2 Committee allowances	1,168,170		-	1,168,170	1,158,700	9,470
2.3 Use of goods and services	1,428,730			1,428,730	1,428,730	-
Total	3,896,900		-	3,896,900	3,822,120	74,780
3.0 Emergency						
3.0 Emergency	7,192,207	3,777,159.00	1,175,267.00	12,144,633	11,346,587	798,046
4.0 Bursary and Social Security						
4.1 Primary Schools						

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Secondary Schools	29,000,000	18,412,823.00		47,412,823	32,828,000	14,584,823
4.3 Tertiary Institutions	10,000,000	4,428,694.00		14,428,694	12,780,000	1,648,694
4.4 Special schools				-		-
4.5 Social Security	1,000,000			1,000,000	-	1,000,000
5.0 Sports	40,000,000	22,841,517		62,841,517	45,608,000	17,233,517
5.1						
5.2						
5.3						
6.0 Environment	-	103,497		103.497	-	103,497
6.1						
6.2						
6.3						
7.0 Primary Schools Projects (List all the Projects)						
7.1 KHWILIBA PRIMARY SCH	7,970,680			7,970,680	7,970,680	-
7.2 ESIREYE PRIMARY SCH	10,032,710	700,000		10,732,710	10,732,710	-
7.3 EBESYUBI PRIMARY SCH	1,500,000			1,500,000	1,500,000	-
7.4 ESIMANJI PRIMARY SCH	1,200,000			1,200,000	1,200,000	-
7.5 MUMBOHA PRIMARY SCH	3,000,000			3,000,000		3,000,000
7.6 ESIRABE PRIMARY SCH						-



Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	3,000,000			3,000,000	3,000,000	
7.7 IRUMBI PRIMARY SCH	520,000			520,000	-	520,000
7.8 KHWILIBA PRIMARY SCH	2,800,000			2,800,000	2,800,000	-
7.9 WEMILABI PRIMARY SCH	1,000,000			1,000,000	1,000,000	-
8.0 EMUSENJEI PRIMARY SCH	2,000,000			2,000,000	2,000,000	-
8.1 MUNUNGO PRIMARY SCH	3,000,000			3,000,000	3,000,000	-
8.2 EBUSILARO PRIMARY SCH			1,600,000	1,600,000	1,600,000	-
8.3 EBUSSAMBA PRIMARY SCH			2,400,000	2,400,000	2,400,000	-
8.4 EMMALOBA PRIMARY SCH			1,600,000	1,600,000	1,600,000	-
8.5 EPANGA PRIMARY SCH			1,600,000	1,600,000	1,600,000	-
Total	36,023,390	700,000	7,200,000.00	43,223,390	39,703,390	4,220,000
8.0 Secondary Schools Projects (List all the Projects)						
8.6 EBUBAYI SEC SCHOOL	2,000,000.00			2,000,000	2,000,000	-
8.7 ESIANDUMBA SEC SCHOOL	8,000,000.00			8,000,000	6,253,401	1,746,599
8.8 ESIBEYE SEC SCHOOL	1,500,000.00			1,500,000	1,500,000	-
8.9 ESIBEYE SEC SCHOOL	1,300,000.00			1,300,000	1,300,000	-
9.0 MUMBOHA SEC SCHOOL					-	4,500,000

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.1 MUMBOHA SEC SCHOOL	1,000,000.00			1,000,000	-	1,000,000
10.0 EBUSAKAMI SEC SCHOOL	2,000,000			2,000,000	-	2,000,000
10.1 EKWANDA SEC SCHOOL	300,000			300,000	-	300,000
10.2 EBWIRANYI SEC SCHOOL			1,000,000.00	1,000,000	1,000,000	-
10.3 ESIANDUMBA SEC SCHOOL			2,000,000.00	2,000,000	2,000,000	-
10.4 EBUSAKAMI SEC SCHOOL			3,000,000.00	3,000,000	3,000,000	-
10.5 MUMBOHA SEC SCHOOL		3,109,248	8,993,013.00	12,102,441	11,925,107	177,334
10.6 EKWANDA SEC SCHOOL			4,000,000.00	4,000,000	4,000,000	-
10.7 IRUMBI SEC SCHOOL	2,800,000			2,800,000		2,800,000
10.8 EMMATSI SEC SCHOOL	410,000			410,000	410,000	-
10.9 HOBUNAKA GIRLS SEC	4,000,000			4,000,000	4,000,000	-
11.0 EBWALI SEC SCHOOL	424,649			424,649	424,649	-
TOTAL	28,234,649	3,109,428	18,993,013.00	50,337,090	37,813,157	12,523,933
10.0 Tertiary institutions Projects (Net all the Projects)						
Basululu TTI	10,000,000			10,000,000	-	10,000,000
TOTAL	10,000,000	-	-	10,000,000	-	10,000,000
10.0 Security Projects						



Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.2 EFANGA CHIEFS CAMP	1,350,000	-	-	1,350,000	1,350,000	-
11.3 EBUBAYI CHIEFS CAMP	-	-	500,000	500,000	-	500,000
TOTAL	1,350,000	-	500,000	1,850,000	1,350,000	500,000
11.4 Acquisition of assets						
11.5 Motor Vehicles (including motorbikes)	-	846,490.00	-	846,490	-	846,490
11.6 Construction of CDF office	-	300,000.00	-	300,000	-	300,000
11.7 Purchase of furniture and equipment						
11.8 Purchase of computers						
11.9 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**	-	-	10,400,000-	10,400,000	-	10,400,000
Total	137,088,879	32,253,059	41,788,879.00	211,130,817	161,800,848	49,329,969

(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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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



Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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



Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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



Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
	AIE NO. B 096972		15,000,000.00
Normal Allocation	AIE NO. B 104633		24,000,000.00
	AIE NO. B 823667		11,067,724.00
	AIE NO. B 124593		9,000,000.00
	AIE NO. B 124855		18,200,000.00
	AIE NO. B 119545		10,000,000.00
	AIE NO. B 119935		13,000,000.00
	AIE NO. B 128177		6,900,000.00
	AIE NO. B 128490		7,000,000.00
	AIE NO. B 122233		6,000,000.00
	AIE NO. B 138901		13,000,000.00
	AIE NO. B 126195		6,000,000.00
	AIE NO. B 105156		15,000,000.00
	AIE NO. B 140633		12,000,000.00
	AIE NO. B 105847	34,000,000	
	AIE NO. B 128595	15,000,000	
	AIE NO. B 105699	34,000,000	
	AIE NO. B 128907	26,000,000	
	AIE NO. B 154105	8,242,280	
	AIE NO. A 888984	15,000,000	
	AIE NO. B 140984	29,788,879.30	
Conditional Grants			
Receipt from retention		-	
TOTAL		148,531,159.30	166,167,724.00



2. Proceeds From Sale of Assets

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

3. Other Receipts

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

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

4 COMPENSATION OF EMPLOYEES		
Description	2021- 2022	2020 – 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,548,400	2,515,424
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
NHIF	83,400	83,400
Gratuity-contractual employees	903,258	952,914
Employer Contributions Compulsory national social security schemes	223,344	223,344
TOTAL	3,758,402	3,775,082

5. Use Of Goods and Services

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	152,458	326,450
Electricity		77,399
Water & sewerage charges		50,100
Office rent		
Communication, supplies and services	2,241,655	-
Domestic travel and subsistence	460,000	-
Printing, advertising and information supplies & services		-
Rentals of produced assets		
Training expenses	1,300,000	-
Hospitality supplies and services		-
Other committee expenses	1,158,700	6,707,531
Committee allowance	1,622,300	2,297,445
Insurance costs	338,734	
Specialised materials and services		
Office and general supplies and services		
Fuel , oil & lubricants	340,000	200,000
Other operating expenses		-
Bank service commission and charges	170,000	-
Other Operating Expenses		206,592
Security operations		
Routine maintenance - vehicles and other transport equipment	60,000	57,831
Routine maintenance- other assets	437,981	
TOTAL	8,281,828	9,923,348



Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021 - 2022	2020 - 2022
	Kshs	SS
Transfers to Primary Schools	41,233,433	39,733,337
Transfers to Secondary Schools	47,993,411	51,873,295
Transfers to Tertiary Institutions		
TOTAL	89,226,844	91,606,632

7. Other Grants and Other transfers

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	32,828,000	11,298,204
Bursary -Tertiary (see attached list)	12,780,000	6,489,655
Bursary- Special Schools		-
Mocks & CAT (see attached list)		-
Social Security programmes (NHIF)		
Security Projects (see attached list)	2,779,989	3,700,000
Sports Projects (see attached list)	3,540,433	2,975,000
Environment Projects (see attached list)		-
Emergency Projects (see attached list)	8,605,352	4,275,234
TOTAL	60,533,774	28,738,093.00

8. Acquisition Of Assets

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

Notes To the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	18,983,370	32,253,059
<i>EQUITY BANK LUANDA 1120261446995</i>	-	-
Total	18,983,370	32,253,059
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	18,983,370	32,253,059

[Provide Cash Count Certificates for Each]

11: Outstanding Imprests

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

[Include an annex if the list is longer than 1 page.]

Notes to the Financial Statement Continued



12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	903,258	-
Gratuity paid during the Year (C)	903,258	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	32,253,059	128,490
Cash in hand	-	-
Imprest	-	-
Total	32,253,059	128,490

[Provide short appropriate explanations as necessary]

14. Prior Year Adjustments

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

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022 KShs	2020-2021 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	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022 KShs	2020 – 2021 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	-	-



Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

	2021- 2022	2020- 2021
	Kshs	Kshs
Compensation of employees	872,726	774,968
Use of goods and services	651,447	-
Amounts due to other Government entities (see attached list)	15,357,567	34,875,272
Amounts due to other grants and other transfers (see attached list)	20,798,242	26,741,711
Acquisition of assets	1,146,490	1,146,490
Others (Environment)	103,497	103,497
Funds pending approval	10,400,000	10,400,000
Total	49,329,969	74,041,938

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	104,158.60	206,437.50
	104,158.60	219,551.50



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

Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

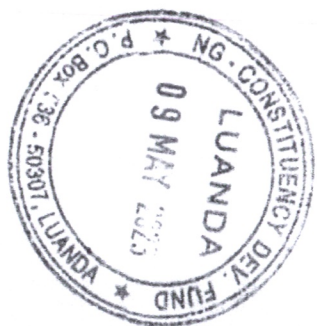
Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				



Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Staff monthly salary	872,734	774,968	
Use of goods & services	Capacity building and committee allowances	651,439	-	
		1,524,173		
Amounts due to other Government entities				
MUMBOHA PRIMARY SCH	Construction of 3 classrooms	3,000,000		
IRUMBI PRIMARY SCHOOL	Purchase of land	520,000		
ESIANDUMBA SEC SCHOOL	Construction of lab	1,746,599		
MUMBOHA SEC SCHOOL	Construction of 12 doors latrines and septic tank	4,500,000		
MUMBOHA SEC SCHOOL	Construction of 16 classrooms and admin block	1,000,000		
EBUSAKAMI SEC SCHOOL	Construction of dormitory	2,000,000		
EKWANDA SEC SCHOOL	Construction of dormitory	300,000		
IRUMBI SEC SCHOOL	Purchase of land	2,800,000		
EKWANDA PRIMARY SCHOOL	Renovation of 3 classes	1,600,000		
Sub-Total		16,456,302	62,186,324	
Amounts due to other grants and other transfers				
BUKSARY	Payment to needy students school fee	18,401,461		
EMERGENCY	Cater for unforeseen occurrences	1,896,781		

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
SECURITY	Construction of chiefs office at Ehubayi	500,000		
Sub-Total		20,798,242	26,741,711	
Acquisition of assets				
Motor bike	Purchase of motorbike for m&e	300,000	300,000	
Others (<i>specify</i>)				
Environment	Planting of trees in school	103,497	103,497	
Refurbishment of CDF offices	Laying of cabros	846,490	846,490	
Sub-Total		1,249,987	1,249,987	
Funds pending approval	Emululu technical	10,000,000	10,400,000	
Grand Total		49,329,969	74,041,938	



Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost Kshs 2020/2021	Additions during the year	Disposals during the year	Historical Cost Kshs 2021/2022
Land	2,446,727		-	2,446,727
Buildings and structures	35,441,526		-	35,441,526
Transport equipment	6,130,000		-	6,130,000
Office equipment, furniture and fittings	3,866,693	-	-	3,866,693
ICT Equipment, Software and Other ICT Assets	80,000		-	80,000
Other Machinery and Equipment	632,000		-	632,000
Heritage and cultural assets	-		-	-
Intangible assets	-		-	-
Total	48,596,946	-	-	48,596,946

Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account opening date	Account number	Bank Balance 2021/22	Bank Balance 2020/2021
EKWANDA SEC SCHOOL	KCB	14/05/2014	1128110156	00	138,125
EBWALI SECONDARY SCHOOL	EQUITY	22/05/2014	0960293389065	1,388.30	13,114
ESIANDUMBA SEC SCHOOL	EQUITY	11/06/2015	1120277708325	24,493.00	7,099.50
EBUSAKAMI SEC SCHOOL	EQUITY	20/05/2014	1120263155499	563.00	5,118
EMMATSI SECONDARY SCHOOL	EQUITY	04/08/2015	1120297582548	1,230.90	25,255
ESIBEYE SEC SCHOOL	KCB	13.04/2016	1135232229	1,176.04	11,560
ESIRABE PRIMARY SCHOOL	EQUITY	21/05/2021	1120279267366	452.90	7,030
EMMATSI PRIMARY SCHOOL	EQUITY	06/09/2018	1120297529957	00	4,545
EBWIRANYI SECONDARY SCHOOL	EQUITY	19/07/2017	1120299458514	74,854.46	7,605
	TOTAL			104,158.60	219,551.5

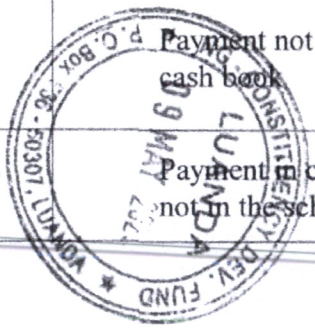


Annex 6: Progress On Follow Up of Auditor Recommendations

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)
4.1 Receipts	Delaying in funding. The activities budgeted for ware not implemented .the funds did not meet the intended objective of delivering goods and services to the residents of the constituency	The NG-CDF Board should disburse funds earlier in order for the constituency to be able to implement the budgeted projects in time for the benefit of the residents of the Luanda Constituency	Not resolve	One yaer
4.2 Compensation of employee	Payment to employee whose contract had expired	The contractual employees have valid contact to date of audit, the said employee renewed his contract and is valid as from 4 th January 2020 to December 2022	resolved	Immediately
4.2.1 use of goods and services	Variance between financial statement and schedule balances	The management has corrected the financial statement and availed for audit review	Resolved	Immedediately
4.3 transfer to other government units	Incomplete projects files for transfer to primary schools. Included in the transfer to primary schools are transfers to Emuhaya Primary, Embubayi primary and mulwanda primary,	All the missing tender documents for the three schools were availed and attached for audit scrutiny annex 3a,3b and 3c	resolved	Immediately

	however , anomalies revealed from the three project files were as follows, no tender minutes, no evidence of advertisement, no request from school, appointment letter for tender opening and evaluation committee, acceptance letter for successful bidder and regret letter for unsuccessful bidder. No professional opinion from procurement officer contrary to PP&AD act ,2015			
4.4 other grants and transfer. Bursary to secondary schools	Missing payment relating to bursary vouchers totalling to 2,073,075	The payment voucher were traced and availed for audit review annex 5,6a,6b,7a to 7i	resolved	Immediately
	Variance between schedule and cash book balance	Variance between schedule and cashbook were due to missing vouchers. The vouchers were traced and the financial statement amended	resolved	
4.4.2 bursary to tertiary institutions	Missing payment voucher	The missing payment were traced and availed for audit review	resolved	
	Payment not reflected in cash book	The cash book was updated to reflect the payments that were in the schedule but missing from cash the book	Resolved	Immediately
4.4.3 sports activities related payment	Payment in cash book but not in the schedule	The schedule was corrected to incorporate the Kshs 683,720 posted in the cash book but	resolved	Immediately



		missing from the schedule.		
4.4.3 sports activities related payment	Payment in schedule but not posted to cash book	The cash book was updated to reflect the payment that were in the schedule but missing in the cash book	resolved	Immediately
	Understatement of sports related payments in the financial statement	The missing payment vouchers were traced and availed for audit review, the financial statement was also amended to reflect the same	Resolved	Immediately
4.5 emergency related payment	Absence of all the missing documentation payment could not be ascertained	The procurement documents were availed for audit review	resolved	Immediately
4.6 summary of fixed asset register	Variance between ledgers and the financial statement balances	The financial statement was amended to reflect true and fair position of fixed asset	Resolved	Immediately
4.7 Budget control and performance	The entity had a shortfall of Kshs 69,367,724; it also had a net under absorption of Kshs 69,496,215.	The shortfall and under absorption was as a result of NG-CDF Board not disbursing funds in time. The management will discuss with NG-CDF Board over the same so that in future funds will be disbursed in time	not resolved	1 year

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Fund Account Manager.