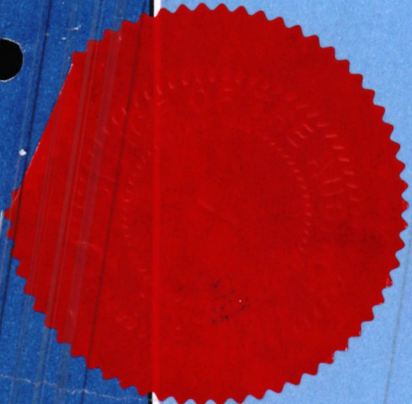


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY REPORT	
DATE: 29 NOV 2023	DAY: WED
TABLED BY: OF	Hon Owen Bayo, CBS, MP Deputy majority leader
CLERK-AT THE-TABLE:	Eniays muriuki

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - KISUMU EAST
CONSTITUENCY**

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





KISUMU EAST 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)

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

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

(b) Key Management

The Kisumu East 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	Rotich Kiptoon
2.	Sub-County Accountant	Kenneth Menge
3.	Chairman NGCDFC	Jackton Acholla
4.	Member NGCDFC	Donna Otieno

(d) Fiduciary Oversight Arrangements

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

P.O. Box 3618-40100
Kisumu East NGCDF Office
Kondele Kibos Road Next To Kunya Primary School
Kisumu, Kenya

(f) Kisumu East Constituency NGCDF Contacts

Telephone: (254) 22700266
E-mail: cdfkisumueast@ngcdf.go.ke
Website: www.cdf.go.ke

(g) Kisumu East Constituency NGCDF Bankers

Equity Bank Ltd

Kisumu

P.O BOX 3621

Kenya

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

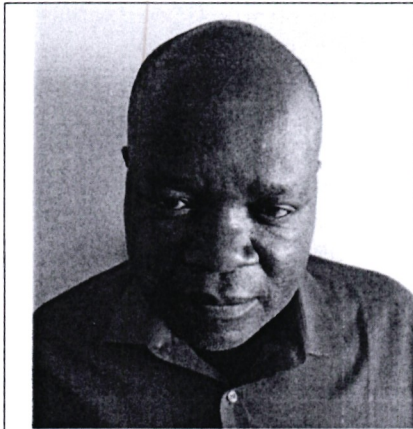
Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairman's Report

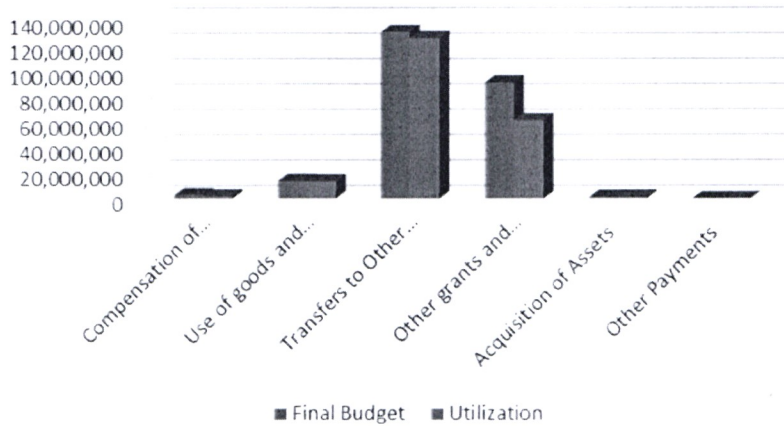


Jackton Odhiambo Acholla

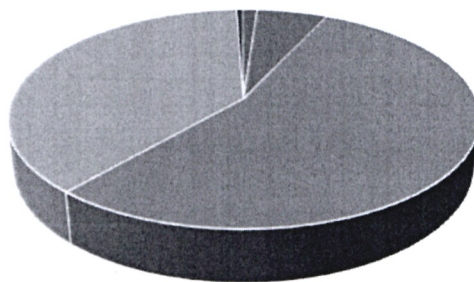
It is my pleasure to present to you the annual report and financial statement for the year ended June 30, 2022. During the year under review, the entity was allocated Kshs 137,088,879 which represents the same allocation from the previous year. Our performance is generally impressive and we have been able to offer more services to our constituents.

Unlike the previous year, the NGCDF Board released all the funds relating to the financial year 2021/2022 representing 95%.

Comparison of final budget vs Utilization



Final Budget



- Compensation of Employees
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers
- Acquisition of Assets
- Other Payments

During the year we had forty four primary school projects under which two were major that is Mbeme primary school and Nyamonge primary school, Seventeen(17) were Renovations and twenty seven (27) were new schools among them were fencing and construction of latrines.

Nine secondary schools were done during the year, five security projects.

Under sports, we paid affiliation fees to FKF Kisumu East branch for clubs within Kisumu East and the rest of the funds were used to purchase full uniform kits.

There was also construction of gabions at Nyamasaria secondary school under Environment.

Kisumu East Constituency

National Government Constituencies Development Fund (NGCDF)

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

NHIF social security programme were paid to women from the age of 75 years and above, single mothers and boda boda youths.

Bursary to secondary and tertiary schools were overwhelmingly disbursed during the year.

One of the emerging issues under primary and secondary schools is the introduction of CBCs which requires construction of junior secondary schools.



Fig 1: construction of a dining hall at Kibos secondary school.



Fig 2: construction of a dormitory at kibos secondary school.

Fig 3: construction of 16 classrooms at Wandiege primary school.

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





Fig 4: construction of staff quarters at Kibos secondary school.



Fig5: construction of 8 classrooms at st Dominic bukna secondary school.

Kisumu East Constituency

National Government Constituencies Development Fund (NGCDF)

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

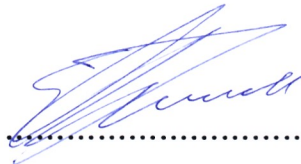
Emerging issues include the ongoing litigation of the CDF Act, employee turnover expectations of new administration.

The few challenges that my team experienced was the political environment we were in and the high number of needy cases in both secondary and tertiary institutions. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure security infrastructure where close to 60% of the funds were allocated to these initiatives.

Overall utilization of funds stood at 89% as compared to 56.7% in the year 2020/21. This was an increase compared to 2020/21 financial year which was due to receipt of funds for the period under review.

With my team, our aim is to leverage the utilization of funds to ensure that the constituency is able to develop as quickly as possible while ensuring transparency and accountability in all our activities.

I Chairperson I would recommend that NGCDF BOARD disburse funds timely so as to meet the intended plans of the constituency.



.....
Name: Jackton Odhiambo Acholla
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Kisumu East Constituency 2018-2022* plan are to:

- a) Improving access to quality education through rehabilitation/renovation/ construction of infrastructure in various primary and secondary school within the constituency.
- b) Harnessing youth talent by funding youth sporting initiatives, creating awareness of youth development and promotion of youth talent
- c) Enhancing security in the constituency by construction of infrastructure in security and administration establishments within the constituency.
- d) Improving the tracking of implementation of NGCDF programs through robust Monitoring and Evaluation of projects
- e) Promoting performance management and smooth running of NGCDF office
- f) Catering for any unforeseen occurrences in the constituency through emergency support.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education Accessibility	To Improve access, affordability and availability of quality education to all school going children.	<ul style="list-style-type: none"> • Adequate and conducive environment in terms of classrooms, 	- number of usable physical infrastructure build in	- In FY 21/22 - Number of classrooms rehabilitated to standard 68

Constituency Program	Objective	Outcome	Indicator	Performance
		<p>library, laboratories, dormitories, halls to be used</p> <p>outcomes.</p> <ul style="list-style-type: none"> Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions 	<p>primary, secondary, and tertiary institutions</p> <ul style="list-style-type: none"> number of bursary beneficiaries at all levels 	<ul style="list-style-type: none"> Number of new classrooms constructed in both primary and secondary schools 8 Number of schools with improved/rehabilitated fence 6 Purchased land for 1 primary school and 1 sec sch.
Security	To enhance security within the constituency	Improved security and provision of services to constituents within the constituency	<ul style="list-style-type: none"> Number of chiefs, ACC, DCC, assistant chief offices constructed. Number of police posts, stations constructed or rehabilitated 	1 police post constructed to completion.
Environment	To promote environment sustainability in the constituency		<p>Number of trees planted</p> <p>Number of Biogas (green environment) projects</p>	Five,10,000 litres water tanks and installation of pipes and gutters.

Constituency Program	Objective	Outcome	Indicator	Performance
Sports	To harness talent and empower youth	Active participation of youth in sports and advocacy activities	Number of sporting field rehabilitated Number of sporting tournaments held	Kisumu East NG-CDF constituency tournament and payment of FKF affiliation fee for clubs.
Disaster Management	To cater for any unforeseen occurrences in the constituency			
Intuitional strengthening	To promote performance of management and smooth running of NGCDF operations	<ul style="list-style-type: none"> - Quality of work from motivated staff - Effective and active NGCDF Committee and harmonised governance body - Reflective and dynamic committee and staff able to adjust to changing operational circumstances 	<ul style="list-style-type: none"> - Work plans, reports, accountabilities, - Board minutes, resolutions, evaluation report 	<ul style="list-style-type: none"> - 5 staff employed. - File of all management resolutions well kept. - All reports due to the board submitted within the given timelines.
Tracking of results	To improve on tracking of implementation of NGCDF projects	<ul style="list-style-type: none"> • Strengths and Weaknesses in project implementati 	<ul style="list-style-type: none"> • Reports, Success and case stories • Audit report, 	<ul style="list-style-type: none"> • Quarterly and annual reports submitted with the timelines

Kisumu East Constituency

National Government Constituencies Development Fund (NGCDF)

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

Constituency Program	Objective	Outcome	Indicator	Performance
		on identified and addressed <ul style="list-style-type: none">• Audit report, enhance and improved standards in financial management	Financial report	<ul style="list-style-type: none">• Audit reports responded to and advice on the same adhered to.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kisumu East 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. Kisumu East 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. Kisumu East 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-

Kisumu East 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-

Kisumu East 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.

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



.....
Name: Rotich Kiptoon

FAM

V. Statement of Management Responsibilities

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

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

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

The Accounting Officer in charge of the NGCDF Kisumu East 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- Kisumu East Constituency financial statements were approved and signed by the Accounting Officer on 02-10 2022.



.....

Name: Jackson O. Acholla
Chairman – NGCDF Committee

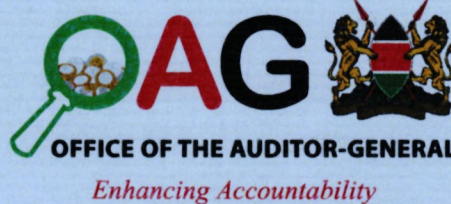


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Name: Rotich Kiptoon
Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KISUMU EAST 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

The accompanying financial statements of National Government Constituencies Development Fund - Kisumu East Constituency set out on pages 24 to 62, which comprise of the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by Kayanda Fredrick and Associates LLP, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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

Basis for Qualified Opinion

1. Transfers to Other Government Entities

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government units amounting to Kshs.126,470,000 which relates to transfers to primary and secondary schools. However, the transfers were not supported with acknowledgment of receipts by the recipient schools confirming that the funds were actually received.

In the circumstances, the completeness and accuracy of the reported transfers to other Government units amount of Kshs.126,470,000 could not be confirmed.

2. Unsupported Other Grants and Transfers

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers expenditure of Kshs.61,661,275. Included in the amount is Kshs.23,862,000 in respect of bursary sent to secondary schools. However, review of records provided for audit revealed that only an amount of Kshs.21,416,500 was transferred to secondary schools, resulting to an unreconciled or unexplained variance of Kshs.2,445,500.

In the circumstances, the accuracy of bursary transfers to secondary schools of Kshs.23,862,000 could not be confirmed.

3. Unreconciled Project Management Committee (PMC) Bank Balances

Note 17.4 to the financial statements, reflects cash held by the Project Management Committees (PMC) account balances held by various implementing institutions amounting to Kshs.40,235,874. However, the respective cashbooks, bank statements, bank reconciliations and certificate of bank balances were not provided for audit review. This is contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that accounting officers shall ensure bank accounts reconciliations are completed for each bank account held by that accounting officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor – General. Further, Section 100 of the same Regulations stipulate that accounting officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts.

In the circumstances, the accuracy and completeness of the Kshs.40,235,874 in respect to Project Management Committee account balances as at 30 June, 2022 could not be confirmed.

4. Unsupported Expenditure

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,300,000 in respect of construction of buildings and as disclosed in Note 8 to the financial statements. The funds were disbursed to a Project Management Committee account for the completion of Kisumu East Constituency NG-CDF office block. However, documents in support of the expenditure were not provided for audit. In the circumstances, the accuracy and validity of the expenditure amounting to Kshs.1,300,000 could not be confirmed.

5. Unsupported Retention Funds

The statement of assets and liabilities and as disclosed in Note 12A to the financial statements reflects retention account balance of Kshs.226,867, which has remained unreleased since the year 2017. No records were provided to support of the amount. In addition, it is not clear, and Management has not indicated, in which bank account the balance is being held since the Fund has no retention bank account.

In the circumstances, the existence of the retention amount of Kshs.226,867 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 - Kisumu East 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

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.241,036,108 and Kshs.219,747,229 respectively resulting to an under-funding of Kshs.21,288,879 or 9% of the budget. Similarly, the Fund expended Kshs.205,063,674 against an approved budget of Kshs.241,018,108 resulting to an under-expenditure of Kshs.35,972,434 or 15% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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 matter) described 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. Delay in Completion of Construction Works in Schools

The statement of receipts and payments reflects expenditure amounting to Kshs.126,470,000 in respect of which, as disclosed in Note 6 to the financial statements includes transfers to primary schools of Kshs.107,320,000. Review of records revealed the following anomalies:

1.1. Construction and Renovation of Classrooms at Bwanda Primary School

The transfers to other Government units amount includes a payment of Kshs.2,665,500 made to a firm for the construction of two (2) classrooms and renovation of three (3) classrooms at Bwanda Primary School. The contract was awarded on 9 November, 2021 at a contract sum of Kshs.3,596,197 for a period of eight (8) weeks. Physical verification of the project in April, 2023 revealed that the two (2) new classrooms were complete and in use. However, the renovation of the three (3) classrooms had not been started more than a year after the lapse of the contract period. The contractor was also not on site and no evidence of contract period extension was provided.

In the circumstances. the beneficiaries may not obtain value for money on the resources spent on project and delay in project completion may lead to cost escalations.

1.2. Construction of Classrooms at Mbeme Primary School

The Fund Management awarded a contract on 10 March, 2022 for the construction of eight (8) classrooms (storey) blocks at a contract sum of Kshs.21,250,333 for a period of six (6) months and a total of Kshs.14,967,267 had been paid as at 30 June, 2022. Physical verification of the project in April, 2023, revealed that the project was at an estimated 70% level of completion, despite the lapse of the contract period and the contractor was not on site. No evidence of extension of the contract period and a valid performance bond were provided for audit review.

In the circumstances. the beneficiaries may not obtain value for money on the resources spent on project and delay in project completion may lead to cost escalations.

1.3. Construction of Classrooms at Nyamonge Primary School

The Fund Management awarded a contract a construction company on 15 March, 2022 at a contract sum of Kshs.21,206,030 for a period of five (5) months and a total of Kshs.14,799,779 had been paid as at 30 June, 2022. Physical inspection of works in the month of April, 2023 revealed that, the works were at an estimated 70% level of completion eight (8) months after the lapse of the contract period. The contractor was not on site and there was no evidence of extension of contract was provided. In addition, no performance bond was provided for audit review.

In the event, the project had stalled and abandoned by the contractor.

2. Delayed Completion of Construction of a Building at Ragumo Police Station

The statement of receipts and payments reflects other grants and transfers amount of Kshs.61,661,275 which as disclosed in Note 7 to the financial statements includes an amount of Kshs.6,430,000 incurred on security projects. Included in the expenditure is an amount of Kshs.1,500,000 incurred in construction of a building at Ragumo Police Station. The Project was expected to be completed in January, 2023, However, physical

inspection of the site in the month of July, 2023 revealed that, works were incomplete and the contractor was not on site.

In the circumstances, the public did not obtain value for money on the amount of Kshs.1,500,000 spent on the Project.

3. Unapproved Reallocation of Funds

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects grants and other transfers of Kshs.61,661,275, which include Kshs.3,000,000 transferred to Project Management Committee (PMC) account towards construction of a Chief's camp at Koyango. However, review of documents provided for audit revealed that the funds were reallocated towards purchase of land without the Board's approval. In addition, the land sale agreement was not provided for audit review

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

4. Failure to Report on Use of Emergency Funds

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.61,661,275 which as disclosed in Note 7 to the financial statements includes an amount of Kshs.4,434,750 incurred on emergency projects. However, Management did not provide any evidence that the expenditure was reported to the Board within thirty (30) days as required under Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

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 overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 controls would not necessarily disclose all matters in the internal controls 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 controls.
- 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 continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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

22 November, 2023

Kisumu East Constituency

National Government Constituencies Development Fund (NGCDF)

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

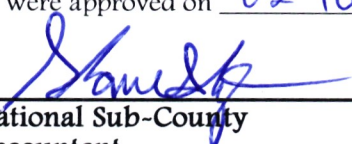
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

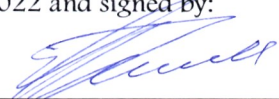
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	170,088,879	152,267,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	18,000	272,400
Total Receipts		170,106,879	152,540,124
Payments			
Compensation Of Employees	4	2,020,304	4,154,797
Use Of Goods and Services	5	13,612,095	10,762,927
Transfers To Other Government Units	6	126,470,000	47,500,000
Other Grants and Transfers	7	61,661,275	33,132,020
Acquisition Of Assets	8	1,300,000	17,500,000
Other Payments	9	-	750,000
Total Payments		205,063,674	113,799,744
Surplus/(Deficit)		(34,956,795)	38,740,380

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 02.10 2022 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Rotich Kiptoon

Name: Kenneth Menge
ICPAK M/No:24748

Name: Jackton Acholla

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	14,683,555	49,640,350
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		14,683,555	49,640,350
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		14,683,555	49,640,350
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	226,867	226,867
Gratuity	12B	-	-
Total Financial Liabilities		<u>226,867</u>	<u>226,867</u>
Net Financial Assets		14,456,688	49,413,483
Represented By			
Fund Balance B/Fwd	13	49,413,483	10,673,103
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(34,956,795)	38,740,380
Net Financial Position		14,456,688	49,413,483

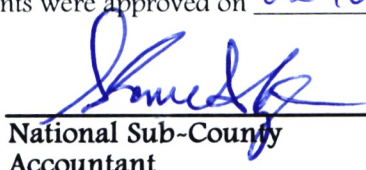
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 02.10.2022 and signed by:



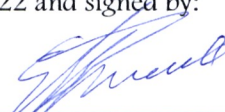
Fund Account Manager

Name: Rotich Kiptoon



**National Sub-County
Accountant**

**Name: Kenneth Menge
ICPAK M/No:24748**



**Chairman NG-CDF
Committee**

Name: Jackton Acholla

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

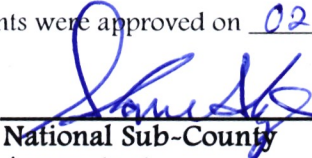
		2021- 2022	2020 - 2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	170,088,879	152,267,724
Other Receipts	3	18,000	272,400
Total receipts		170,106,879	152,540,124
Payments for operating activities			
Compensation of Employees	4	2,020,304	4,154,797
Use of goods and services	5	13,612,095	10,762,927
Transfers to Other Government Units	6	126,470,000	47,500,000
Other grants and transfers	7	61,661,275	33,132,020
Other Payments	9	-	750,000
Total payments		203,763,674	96,299,744
Total Receipts Less Total Payments		(33,656,795)	56,240,380
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (Outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		(33,656,795)	56,240,380
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,300,000)	(17,500,000)
Net cash flows from Investing Activities		(1,300,000)	(17,500,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(34,956,795)	38,740,380
Cash and cash equivalent at BEGINNING of the year	10	49,640,350	10,899,970
Cash and cash equivalent at END of the year		14,683,555	49,640,350

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

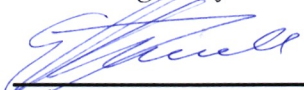
The Constituency financial statements were approved on 02.10 2022 and signed by:


Fund Account Manager

Name: Rotich Kiptoon


National Sub-County
Accountant

Name: Kenneth Menge
ICPAK M/No:24748


Chairman NG-CDF
Committee

Name: Jackton Acholla

*Kisumu East Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	Kshs	b	Kshs				
	2021/2022		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursement	2021/2022	30/06/2022		
Receipts								
Transfers From NGCDF Board	137,088,879	Kshs	49,640,350	54,288,879	241,018,108	219,729,229	21,288,879	91.2%
Proceeds From Sale of Assets	0		0	0	0	-	-	0.0%
Other Receipts			18,000	0	18,000	18,000	-	100.0%
Totals	137,088,879		49,658,350	54,288,879	241,036,108	219,747,229	21,288,879	91.2%
Payments								
Compensation Of Employees	2,752,800		0	0	2,752,800	2,020,304	732,496	73.4%
Use Of Goods and Services	9,563,872		4,327,312	21,007	13,912,191	13,612,095	300,096	97.8%
Transfers To Other Government Units	82,970,000		14,700,000	33,600,000	131,270,000	126,470,000	4,800,000	96.3%
Other Grants and Transfers	41,102,207		30,013,038	20,667,872	91,783,117	61,661,275	30,121,842	67.2%
Acquisition Of Assets	700,000		600,000	0	1,300,000	1,300,000	-	100.0%
Other Payments	0		0	0	0	-	-	-
Funds Pending Approval**			18,000	0	18,000	-	18,000	-
Totals	137,088,879		49,658,350	54,288,879	241,018,108	205,063,674	35,972,434	85.1%

(a) [All revenues relate to allocation from the NGCDF Board. The utilization of receipts stands at 95.2% because the NGCDFB has released kshs 137,088,879 which represents 95.2% of the allocation for the year 2021/2022 and 11,188,879 in respect of 2020/2021 financial year.]

(b)

- i. Compensation of employees has a utilization rate of 73.4%. The difference 26.6% represents the gratuity not paid.
- ii. Use of goods and services comprise a utilization rate of 97.8% which represents optimum utilization.

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

- iii. Transfers to other government units is at 96.4% representing optimal utilization.
- iv. Other grants of 75.4%, excludes funds pending of financial year 2020/2021 that was not released.
- v. Acquisition of Assets is at its optimal of 100%.
- vi. There were no other payments during the year.

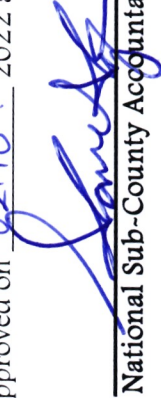
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	35,972,434
Less undisbursed funds receivable from the Board as at 30 th June 2022	21,288,879
Add Accounts payable	14,683,555
Less Accounts Receivable	226,867
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	14,910,422

The Constituency financial statements were approved on 22.10.2022 and signed by:



Fund Account Manager

Name: Rotich Kiptoon



National Sub-County Accountant

**Name: Kenneth Munge
 ICPAK M/No:24748**



Chairman NG-CDF Committee

Name: Jackson Acholla

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

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization Difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,752,800	-	-	2,752,800	2,116,697	636,103
1.2 Committee allowances	2,500,000	684,963	21,007	3,205,970	3,205,970	-
1.3 Use of goods and services	2,963,207	-	-	2,963,207	2,663,111	300,096
Totals	8,216,007	684,963	21,007	8,921,977	7,985,778	936,199
2.0 Monitoring and evaluation						
2.1 Capacity building	1,000,000	1,589,955	-	2,589,955	2,589,955	-
2.2 Committee allowances	2,000,000	1,063,680	-	3,063,680	3,063,680	-
2.3 Use of goods and services	1,100,665	988,714	-	2,089,379	2,089,379	-
Total	4,100,665	3,642,349	-	7,749,014	7,749,014	-
3.0 Emergency						
3.1 Primary Schools	-	1,700,000	-	1,700,000	1,700,000	-
3.2 Secondary schools	-	500,000	-	500,000	500,000	-

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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			
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	2,000,000	-	2,000,000	2,000,000	-
3.5 Unutilised	7,192,207	657,763	5,222,872	13,072,842	-	13,072,842
3.6 Others	-	234,750	-	234,750	234,750	-
Total	7,192,207	5,092,513	5,222,872	17,507,592	4,434,750	13,072,842
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	11,700,000	12,157,000	-	23,857,000	23,857,000	-
4.3 Tertiary Institutions	10,000,000	4,759,000	2,400,000	17,159,000	17,159,000	-
4.4 Universities	-	-	-	-	67,000	-
4.5 Social Security	6,000,000	-	-	6,000,000	4,884,000	1,116,000
Total	27,700,000	16,916,000	2,400,000	47,016,000	45,967,000	1,116,000
5.0 Sports						
5.1	1,780,000	1,690,245	145,000	3,615,245	3,615,245	-
5.2	-	-	-	-	-	-
5.3	-	-	-	-	-	-
Total	1,780,000	1,690,245	145,000	3,615,245	3,615,245	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.0 Environment						
6.1 NYAMASARIA SECONDARY SCHOOL(GABIONS)	2,000,000	-	-	2,000,000	-	2,000,000
PURCHASE OF 5,10,000LTS WATER TANK @KHS100,000-KIBOS SEC SCHOOL	-	-	500,000	500,000	500,000	-
CONSTRUCTION OF 5TANK BASE EACH @KHS 50,000-KIBOS SEC SCHOOL	-	-	250,000	250,000	250,000	-
INSTALLATION OF PIPES AND GUTTERS-KIBOS SEC SCHOOL	-	-	150,000	150,000	150,000	-
6.3 TREE SEEDLINGS	-	314,280	-	314,280	314,280	-
Total	2,000,000	314,280	900,000	3,214,280	1,214,280	2,000,000
7.0 Primary Schools Projects (List all the Projects)						
BUKNA PRIMARY SCHOOL(CONS OF 2)	2,800,000	-	-	2,800,000	2,800,000	-
BUNGU PRIMARY SCHOOL(6 TOILET)	800,000	-	-	800,000	800,000	-
BUNGU PRIMARY SCHOOL(RENOV)	1,000,000	-	-	1,000,000	1,000,000	-
CHIGA PRIMARY SCHOOL(RENOV)	2,250,000	-	-	2,250,000	2,250,000	-
KADIJU PRIMARY SCHOOL(2 CLASS COMP)	330,000	-	-	330,000	330,000	-
KINDU RC PRIMARY SCHOOL(RENOV)	4,050,000	-	-	4,050,000	4,050,000	-
MAYENYA PRIMAFY SCHOOL(RENOV)	1,800,000	-	-	1,800,000	1,800,000	-
MBEME PRIMARY SCHOOL(CONST)	15,000,000	-	-	15,000,000	15,000,000	-

Kisumu East Constituency
 National Government Constituencies Development Fund (NGCDF)
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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			
NYAMONGE PRI SCHOOL(CONST)	15,000,000	-	-	15,000,000	15,000,000	-
NYATEGE PRIMARY SCHOOL(6 LATRI)	800,000	-	-	800,000	800,000	-
OBINO PRIMARY SCHOOL(6 LATR)	800,000	-	-	800,000	800,000	-
OBWOLO PRIMARY SCHOOL(RENOV)	3,150,000	-	-	3,150,000	3,150,000	-
OGANGO PRIMARY SCHOOL(RENOV)	900,000	-	-	900,000	900,000	-
OKOK PRIMARY SCHOOL(COMP)	50,000	-	-	50,000	50,000	-
OKOK SCHOOL(ADMIN)	2,000,000	-	-	2,000,000	2,000,000	-
OMUNGI PRIMARY SCHOOL(6 LATR)	800,000	-	-	800,000	800,000	-
OTERA BAHATI PRI SCHOOL(CONS)	4,200,000	-	-	4,200,000	4,200,000	-
RAE KAJULU PRIMARY SCHOOL(RENOV)	2,700,000	-	-	2,700,000	-	2,700,000
RAE KANYAIKA PRIMARY SCHOOL(CONST)	5,600,000	-	-	5,600,000	5,600,000	-
RARIEDA KALOO PRIMARY SCHOOL(RENOV)	1,800,000	-	-	1,800,000	1,800,000	-
ST.FRANCIS PRI SCH NYAMONGE(CONST)	2,800,000	-	-	2,800,000	2,800,000	-
BUNGU SCHOOL(COMP)	190,000	-	-	190,000	190,000	-
OKAGO PRIMARY SCHOOL(COMP)	400,000	-	-	400,000	400,000	-
WANDIEGE PRIMARY SCHOOL(COMP)	1,100,000	-	-	1,100,000	1,100,000	-
ST MARK NYABERA PRI SCHOOL- FENCING	-	-	500,000	500,000	500,000	-

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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			
ST JOHN ORIANG PRI SCH- RENOVATE	-	-	1,600,000	1,600,000	1,600,000	-
KIANJA PRIMARY SCHOOL- RENOVAT	-	-	1,600,000	1,600,000	1,600,000	-
GOT ONGO PRI SCOOOL- CONSTRUCT	-	-	2,700,000	2,700,000	2,700,000	-
GOT ONGO PRI SCOOOL-LA'TRINE	-	-	500,000	500,000	500,000	-
BUKNA PRI SCH-RENOVATION	-	-	1,600,000	1,600,000	1,600,000	-
ONGADI PRI SCHOOL-RENOVATE	-	-	900,000	900,000	900,000	-
ALANGO PRI SCHOOL-CONS	-	-	2,700,000	2,700,000	2,700,000	-
NYAIMBO PRI SCHOOL- RENOVATE	-	-	1,600,000	1,600,000	1,600,000	-
BWANDA PRI SCHOOL-CONS	-	-	2,700,000	2,700,000	2,700,000	-
BWANDA PRI SCHOOL-RENOVATE	-	-	900,000	900,000	900,000	-
OFUNYU PRI SCHOOL-RENOVATE	-	-	1,600,000	1,600,000	1,600,000	-
OYOLA PRI SCHOOL-RENOVATE	-	-	1,600,000	1,600,000	1,600,000	-
RAGUMO PRI SCHOOL-CONS	-	-	2,700,000	2,700,000	2,700,000	-
NYALUNYA PRI SCHOOL-COST	-	-	2,700,000	2,700,000	2,700,000	-
NYALUNYA PRI SCHOOL- RENOVATE	-	-	800,000	800,000	800,000	-
RARIEDA KALOO PRI SCH- RENOVATE	-	-	800,000	800,000	800,000	-
KUNYA PRI SCHOOL-FENCING	-	-	1,000,000	1,000,000	1,000,000	-
OGANGO PRI SCHOOL-FENCING	-	-	1,000,000	1,000,000	1,000,000	-
WANDIEGE PRIMARY SCHOOL- LAND	-	-	2,000,000	2,000,000	-	2,000,000

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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			
WANDIEGE PRIMARY SCHOOL- LAND			100,000	100,000		100,000
KASSAGAM PRIMARY SCHOOL	-	2,500,000	-	2,500,000	2,500,000	-
KASSAGAM PRIMARY SCHOOL	-	1,000,000	-	1,000,000	1,000,000	-
KASSAGAM PRIMARY SCHOOL	-	500,000	-	500,000	500,000	-
KADIJU PRIMARY SCHOOL(2 CLASS COMP)	-	1,700,000	-	1,700,000	1,700,000	-
OYOLA PRI SCHOOL-RENOVATE	-	500,000	-	500,000	500,000	-
ONGADI PRI SCHOOL-RENOVATE	-	4,000,000	-	4,000,000	4,000,000	-
Total	70,320,000	10,200,000	31,500,000	112,020,000	107,320,000	4,700,000
8.0 Secondary Schools Projects (List all the Projects)						
G.P OWITI SECONDARY SCHOOL(PIT LATR)	800,000	-	-	800,000	800,000	-
G.P OWITI SECONDARY SCHOOL(FENCE)	800,000	-	-	800,000	800,000	-
KIBOS SECONDARY SCHOOL(COMP)	1,450,000	-	-	1,450,000	1,450,000	-
KINDU SECONDARY SCHOOL	500,000	-	-	500,000	500,000	-
NYALUNYA SECONDARY SCHOOL	900,000	-	-	900,000	900,000	-
ST ALBERT ANGIRA SECONDARY SCHOOL	150,000	-	-	150,000	150,000	-
ST DOMINIC BUKNA SECONDARY SCHOOL	500,000.00	-	-	500,000	500,000	-

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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			
KIBOS SECONDARY SCHOOL(COMP)	3,350,000	-	-	3,350,000	3,350,000	-
KIBOS SECONDARY SCHOOL(COMP)	4,200,000	-	-	4,200,000	4,200,000	-
GOT NYABONDO SEC SCHOOL- LAND	-	-	2,000,000	2,000,000	2,000,000	-
KIBOS SECONDARY SCHOOL	-	2,000,000	-	2,000,000	2,000,000	-
KIBOS SECONDARY SCHOOL	-	2,000,000	-	2,000,000	2,000,000	-
GOT NYABONDO SEC SCHOOL	-	500,000	-	500,000	500,000	-
Total	12,650,000	4,500,000	2,000,000	19,150,000	19,150,000	-
9.0 Tertiary institutions Projects (List all the Projects)						
9.1	-	-	-	-	-	-
9.2	-	-	-	-	-	-
9.3	-	-	-	-	-	-
9.4	-	-	-	-	-	-
10.0 Security Projects						
GITA ACC OFFICE	2,000,000	-	-	2,000,000	-	2,000,000
RAGUMO AP CAMP	135,000	-	-	135,000	135,000	-
RWEYA CHIEF'S CAMP	150,000	-	-	150,000	150,000	-
RWEYA CHIEF'S CAMP	90,000	-	-	90,000	90,000	-

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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			
GITA CHIEF'S CAMP	55,000	-	-	55,000	55,000	-
KOYANGO CHIEF'S OFFICE- LAND	-	-	2,000,000	2,000,000	-	2,000,000
RAGUMO POLICE STATION	-	3,000,000	-	3,000,000	3,000,000	-
RAGUMO POLICE STATION	-	-	3,000,000	3,000,000	-	3,000,000
CHIGA POLICE STATION	-	-	7,000,000.00	7,000,000	-	7,000,000
KOYANGO CHIEF'S OFFICE	-	3,000,000	-	3,000,000	3,000,000	-
Total	2,450,000	6,000,000	12,000,000	20,430,000	6,430,000	14,000,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	700,000	600,000	-	1,300,000	1,300,000	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
Total	700,000	600,000	-	1,300,000	1,300,000	-
12.0 Others						
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.2	-	-	-	-	-	-

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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			
Funds pending approval**	-	18,000	0	18,000	-	18,000
Total	137,088,879	49,658,350	54,288,879	241,036,108	205,063,674	35,972,434

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-Kisumu East 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.

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.

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 005108	33,000,000	
AIE NO. B 030184	44,000,000	
AIE NO. B 030428	22,000,000	
AIE NO. B 006370	5,000,000	
AIE NO. B 042761	12,000,000	
AIE NO. B 047007	12,000,000	
AIE NO. B 041083	18,000,000	
AIE NO. B 047450	24,088,879	
AIE NO. B104729	-	23,000,000
AIE NO. A823549		36,367,724
AIE NO. B124567		9,000,000
AIE NO. B119504		10,000,000
AIE NO. B119905		13,000,000
AIE NO. B128147		6,900,000
AIE NO. B128459		7,000,000
AIE NO. B132203		6,000,000
AIE NO. B138871		13,000,000
AIE NO. B126165	-	6,000,000
AIE NO. B140603	-	12,000,000
AIE NO. B126459	-	10,000,000
TOTAL	170,088,879	152,267,724

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	18,000	201,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	71,400
Total	18,000	272,400

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,641,504	1,517,653
Personal allowances paid as part of salary		
House Allowance	174,000	185,500
Transport Allowance	90,000	81,000
Leave allowance	50,000	20,000
Gratuity to contractual employees	-	2,350,644
Employer Contributions Compulsory national social security schemes	64,800	-
Total	2,020,304	4,154,797

Notes To the Financial Statements (Continued)

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	5,369,250
Utilities, supplies and services	220,153	533,115
Communication, supplies and services	56,998	295,390
Domestic travel and subsistence	492,000	-
Printing, advertising and information supplies & services	393,524	443,917
Rentals of produced assets	-	-
Training expenses	2,097,955	292,800
Hospitality supplies and services	-	-
Other committee expenses	2,003,420	-
Committee allowance	3,901,050	-
Insurance costs	-	-
Specialized materials and services	50,000	189,250
Office and general supplies and services	1,040,664	1,086,509
Other operating expenses	1,938,600	2,221,779
Routine maintenance – vehicles and other transport equipment	1,417,731	330,917
Routine maintenance – other assets	-	-
Total	13,612,095	10,762,927

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	107,320,000	29,500,000
Transfers To Secondary Schools (See Attached List)	19,150,000	18,000,000

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Transfers To Tertiary Institutions (See Attached List)	-	-
Total	126,470,000	47,500,000

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Notes To The Financial Statements (Continued)

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,862,000	5,888,000
Bursary – tertiary institutions (see attached list)	17,221,000	17,307,900
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	4,884,000	3,210,000
Security projects (see attached list)	6,430,000	-
Sports projects (see attached list)	3,615,245	1,028,000
Environment projects (see attached list)	1,214,280	1,343,120
Emergency projects (see attached list)	4,434,750	4,355,000
Total	61,661,275	33,132,020

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	1,300,000	17,500,000
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	1,300,000	17,500,000

Notes To The Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	750,000
ICT Hub	-	-
	-	750,000

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	14,683,555	49,640,350
<i>Equity Bank Ltd, Kisumu Branch, Kisumu East NGCDF A/C no 0290262014425</i>	-	-
Total	14,683,555	49,640,350
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (Specify)	-	-
Total	-	-

11: Outstanding Imprests

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

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Total		-	-	-
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Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	226,867	226,867
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	226,867	226,867

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	414,000	2,350,644
Gratuity paid during the Year (C)	-	2,350,644
Closing Gratuity as at 30 th June D= A+B-C	414,000	-

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	49,413,483	10,673,103
Cash in hand	-	-
Imprest	-	-
Total	49,413,483	10,673,103

Notes To The Financial Statements (Continued)

14. Prior Year Adjustments

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

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

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

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	732,496	58,834
Use of goods and services	300,096	152,229
Amounts due to other Government entities (see attached list)	4,800,000	49,512,115
Amounts due to other grants and other transfers (see attached list)	30,121,842	43,333,541
Acquisition of assets	-	500,000
Funds pending approval	18,000	10,272,400
Total	35,972,434	103,829,229

7.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	40,235,874	19,062,254
Total	40,235,874	19,062,254

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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. JUDITH SALOME OKWIRI	RECORDS MANAGEMENT OFFICER	01/07/2021	83,208	
2. CHRYSENTUS OTIENO ABIERO	DRIVER	01/07/2021	83,208	
3. PATRICK YAGAN OWITI	ACCOUNTS ASSISTANT	01/07/2021	87,384	
4. JOHN OKEYO AMIMO	CLEANER	01/07/2021	68,460	
5. LINDA OGUNA	CLERK OF WORKS	01/07/2021	91,740	
Sub-Total			414,000	
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	salaries to employees	636,103	58,834	
Use of goods & services	Office operation	300,096	152,339	
Sub-Total		936,199	211,173	
Amounts due to other Government entities				
Transfers to Primary Schools			49,512,115	
Wandigege primary school	Renovation of one classroom	100,000		
Rae Kajulu Primary School	Construction of two classrooms to completion	2,700,000		
Transfers to Secondary Schools		-	-	
Kibos Secondary School	Construction of a septic Tank	2,000,000		
Transfers to Tertiary Institutions		-	-	
Sub-Total		4,800,000	49,512,115	
Amounts due to other grants and other transfers				
Bursary - Secondary	Fee for needy students	-	11,726,255	
Bursary - Tertiary	Fee for needy students	-	2,000,000	
Bursary- Special Schools	Fee for needy students	-	-	
Social Security programmes (NHIF)		1,116,000	-	
Security Projects		-	15,000,000	
Gita ACC Office	Construction of ACC's Office	2,000,000		
Koyango Chiefs Office	Purchase of Land	2,000,000		
Chiga Police Station	Construction of a Police Station and purchase of land	7,000,000		
Ragumo police station	Construction of a Police Station	3,000,000		

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Ragumo AP Camp	Painting of Ap Houses	135,000		
Rweya Chief's Camp	Finishing of Chiefs office	150,000		
Rweya Chief's Office	Finishing of a Chiefs office	90,000		
Gita Chiefs Camp	Finishing of chiefs office	55,000		
Sports Projects		4,000,000	1,924,500	
Environment Projects		2,000,000	1,653,925	
Emergency Projects		13,072,842	9,714,612	
Sub-Total		20,188,842	43,333,541	
Acquisition of assets		-	-	
Others (specify) Audit fees		-	500,000	
Sub-Total		-	500,000	
Funds pending approval		18,000	226,867	
Grand Total		35,972,434	103,829,229	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	1,468,600	-	-	1,468,600
Buildings and structures	66,139,379	1,300,000.00	-	67,439,379
Transport equipment	3,857,017	-	-	3,857,017
Office equipment, furniture and fittings	1,267,575	-	-	1,267,575
ICT Equipment, Software and Other ICT Assets	1,122,299	-	-	1,122,299
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	73,854,870	1,300,000.00	-	75,154,870

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Akado Youth polytechnic	Equity Kisumu	0290264448000	4,811	4,811.
Aiango primary school	Equity Kisumu	0290266615670	233,032	86,093,
Ayaro primary school	Equity Ang'awa	1260298195339	303,543	74,616
Buoeye primary school	Equity Kisumu	0290299884397	52,200	488,178
Bwanda primary school	Equity Kisumu	02902666854359	1,209,915	8,985
Dago primary school	Equity Kisumu	0290266392714	150,9323	85,643
Bukna Primary School	Equity-Kisumu	0290282083839	517,712	-
Bungu Primary School	Equity-Kisumu	0290263688607	124,119	-
Chiga Primary School	Equity-Kisumu	0290266900550	2,255,338	-
Gita Assistant County Commissioner's Office	-	-	-	-
Gita Chiefs Camp	Equity-Ang'awa	1260266770898	99,046	1,25,728
G.P.Owiti Secondary School	Equity-Kisumu	0290282266329	1,600,000	-
Kadiju Primary School	Equity-Kisumu	0290280898327	13	-
Kibos Secondary School	Secondary-Kisumu	01009030000929	-	10,190,000
Kindu RC Primary School	Equity-Kisumu	1260298212482	4,058,525	8,524
Kunya primary school	Equity Kisumu	0290281133551	550	843
St Peters Kindu Secondary School	KCB	1129368882	-	-
Kisumu East NG-CDF Office PMC	Equity-Kisumu	0290267475582	17,722	-

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Koyango Chiefs Office	Equity	0290282534281	1,000,000	~
Mayenya Primary School	Equity- Kisumu	1260161963897	1,820,421	20,420
Mbeme Primary School	Equity-Ang'awa	1260266678026	4,876,104	54,280
Nyalunya Secondary School	Co-operative Bank	01141294527300	~	37,119
Nyamaisaria Secondary School	Equity-Kisumu	0290263882112	500,819	878
Nyamonge Primary School	Equity-Kisumu	0290299474900	6,228,554	1,704
Nyatege Primary School	Equity-Kisumu	0290299919471	117,295	827,924
Obino Primary School	Equity-Kisumu	0290296380336	666,153	5,196
Obwoto Primary School	Equity-Kisumu	0290296380336	~	~
Ogango Primary School	Equity-Kisumu	0290299086592	1,729,864	~
Okago Primary School	Equity	0290297668544	1,604	~
Okok Primary School	Equity-Kisumu	0290266494888	2,277,298	189,124
Orongo Primary school	Equity Ang'awa	1260298222885	696	9,402
Omung'i Primary School	Equity-Kisumu	0290299925389	308,290	~
Otera Bahati Primary School	Equity	1260299885750	692,690	673,100
Otiak AP Camp	Equity Kisumu	0290296411381	59,367	59,366
Rarieda Katoo Primary School	Equity-Kisumu	0290281978454	1,845,964	~
Rae Kajulu Primary School	Equity-Kisumu	0290283018641	2,700,000	~
Rae Kanyaiika Primary School	Equity-Kisumu	0290282420632	388,863	~

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Ragumo Administration Police Camp	Equity-Kisumu	0290270743881	3,009,343	14,447
Ragumo primary school	Equity Kisumu	0290299352422	1,094,850	19,583
Renja secondary school	Equity Ang'awa	1260263464427	6,841	6,841
Senior chief onungu school	Equity Kisumu	0290266679712	656	618
St alloys mayeniya secondary school	Co-operative Bank	01141015889100	-	17,916
Rwoya Chiefs Camp	Co-operative Bank	01134495870500	-	-
St. Albert Angira Secondary School	National Bank	2125366701	-	-
St. Dominic Bukna Secondary School	Co-operative Kisumu	01141494487400	-	4,202,878
St. Francis School Nyamonge	Equity	1260298198853	2,805,948	5,948
St. Johns masawa primary school	Equity Ang'awa	1260270546526	33,537	414,562
Tido primary school	Equity kisumu	0290264062442	336,854	54,985
Wandiege Primary School	Equity- Ang'awa	1260261742733	2,357	252,537
Total			40,235,874	19,062,254

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Understatement of Receipts	The unsupported receipts had AIE received from the board to support the same. the difference of ksh226,867 represents the unpaid retention money.	Not Resolved	
2.0	Unsupported Fuel Expenditure	There was statement from the supplier to support the same.	Not Resolved	
3.1	Unsupported Emergency funds: Nyalunya secondary school.	NGCDFC Minutes to support the payment.	Not Resolved	
4.1	Lack of ownership documents for purchase of land.	The process to acquire the title is ongoing.	Not Resolved	
5.1	Bank Reconciliation statement.uncleared items.	These represented the uncleared bursary cheques by the bank which have since been cleared.	Not Resolved	
5.2	Unsupported PMC Bank account Balances.	There were bank statements to prove the same.	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.0	Unsupported Retention money.	There were payment vouchers of the contractor to provide the same.	Not Resolved	
7.0	Incomplete Fixed Asset Register.	The private registration numbers were followed up for GK registration but the KRA only register the YAMAHA make and not KINGBIRD and since the matter has since been resolved.	Not resolved	



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Name Rotich Kiptoon
Fund Account Manager.

