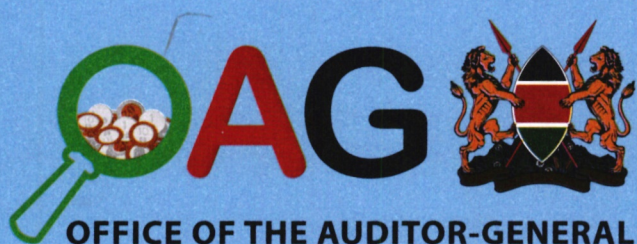


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
DATE: 27 JUL 2023	DAY: Thursday
TABLED BY:	ON Hon. Naomi Wago, MP Deputy Majority Whip
CLERK AT THE TABLE:	Finlay Muriuki

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

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



CHEPALUNGU 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)

Chepalungu Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

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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;

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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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	Felix Ntutu
2.	Sub-County Accountant	Amos Rotich
3.	Chairman NGCDFC	Nicholas Bett
4.	Member NGCDFC	Lily Chepngetich

(d) Fiduciary Oversight Arrangements

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

(e) Chepalungu Constituency NGCDF Headquarters

P.O. Box 56
Sigor, DCC Office, Bomet.

(f) Chepalungu Constituency NGCDF Contacts

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

(g) Chepalungu Constituency NGCDF Bankers

Access Bank
Account Number: 0170100000072
Bomet Branch
Sigor House
P. O Box 476-20400
Bomet.

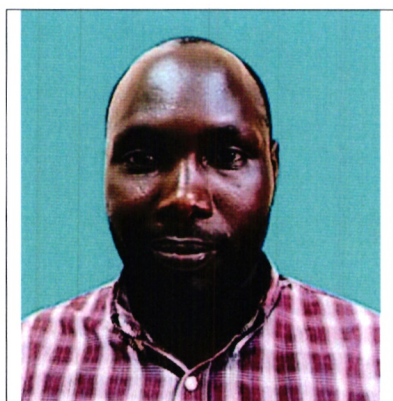
(h) Independent Auditors

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



On behalf of CHEPALUNGU NG-CDF Committee and staff, I am profoundly glad in presenting the FY 2021/2022 annual report and financial statements for the fund. CHEPALUNGU NG-CDF committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposal as proposed by the residents of CHEPALUNGU constituency and ensure that all approved projects meet the requirements of sec 24 of the Act, Capacity building of the project management committees (PMCS), monitoring and evaluation of the funded projects. As per the provisions of the NGCDF Act 2015 (as amended in 2016), this was achieved mainly through timely disbursement of received funds to the project management committees (PMC), projects monitoring and regular NGCDF committee meetings.

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

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

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

A total of 61classrooms, 3dormitories, 2laboratories, 2administration blocks, and 12 toilet blocks were constructed and or renovated through the allocation to the fund.

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

In addition the fund supported retention of students in secondary and tertiary institutions through issuance of bursary. A total of Ksh. 39,799,113 was awarded as bursary to needy students in the constituency. CHEPALUNGU NG-CDF committee has developed bursary award criteria to ensure only the needy students are awarded bursary.

A). Budget Performance

In the financial year 2021/2022 CHEPALUNGU NG-CDF budget performance against actual amounts for current year based on economic classification and programmes, was derailed by untimely and unpredictable disbursement of funds to the constituency by the NG-CDF BOARD,

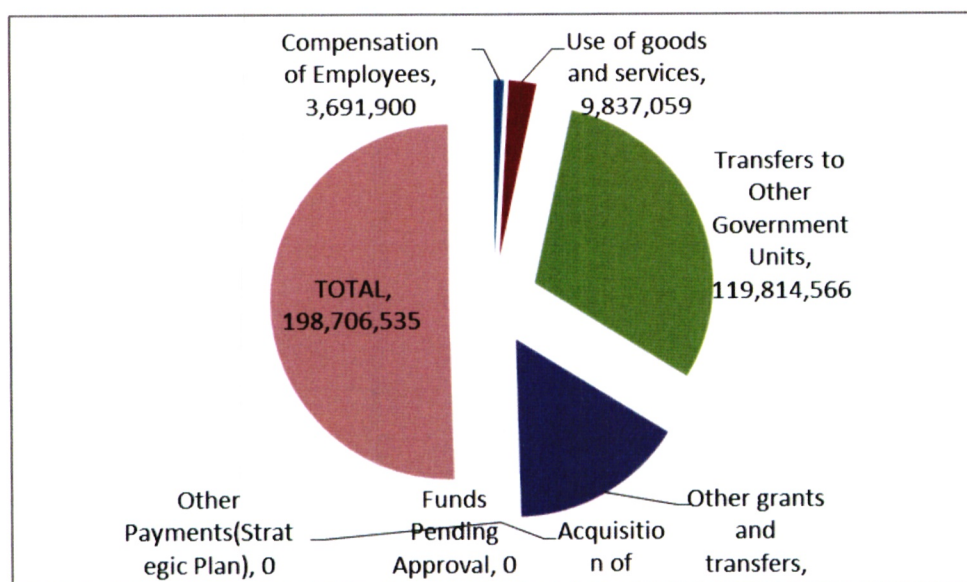
In the financial year ended June 30th, 2022, CHEPALUNGU NG-CDF had a cumulative approved budget of Kshs 198,706,535 out of which Kshs 178,917,656 was received from the NG-CDF Board while a balance of Kshs 9,260,102 is yet to be received.

NG-CDF CHEPALUNGU disbursed the received funds as follows;

Kes 119,715,000 was disbursed to various schools and other government agencies for implementation of the approved projects, Kshs. 39,799,113 was issued as bursaries to needy students in the constituency, Kes 1,414,000 was used in payment of NG-CDF committee allowances, monitoring, evaluation, use of goods and services and other administration expenses, Kes 3,198,034.00 was used in payment of NG-CDFC staff salaries, Kes 2,741,778 was disbursed to CHEPALUNGU NG-CDFC sports project to fund sporting activities, Kes 2,754,000.00 was used to fund emergency occurrences in the constituency.

***Chepalungu Constituency
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PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	3,691,900	3,198,034	493,866.00	87%
Use of goods and services	9,837,059	3,345,000	6,492,059.00	34%
Transfers to Other Government Units	119,814,566	119,715,000	99,566	99%
Other grants and transfers	62,363,010	45,294,891	6,539,342	72%
Acquisition of assets	-	-	-	0%
Other Payments(Strategic Plan)	0	-	-	0%
Funds Pending Approval	3,000,000		3,000,000	0%
TOTAL	198,706,535	182,081,702	16,624,833.00	





The above image is a project of two classrooms carried out in the financial year 2021/2022 at Chebelion primary school.

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

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

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

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

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

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

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



.....
Bett Nicholas
CHAIRMAN NGCDF COMMITTEE

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 21/22 - we increased number of classrooms by 20, dormitories by 2, laboratories by 3 -5000 Bursary beneficiaries at all levels were as per the attached schedules
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without	-Decrease in the number of insecurity related incidents. -Improved security and a more secure	-Numbers of usable physical infrastructure build in Police stations. Chief's offices, DCI and county	In FY 21/22 We built one (1) police station in

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

Constituency Sector	Objective	Outcome	Indicator	Performance
	fearing for their lives and property.	business environment	Commissioners security facilities. ~	
Environment	To have a well Conserved and Conducive environment, this ensures a safe and habitable planet for the current and future generations.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. -sustainable environmental management activities.	In FY 21/22 -we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools approximately 4,000 in number
Sports	To Nurture sporting talent, This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.	Increased engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.	Number of youth, women and persons living with disabilities taking up sporting activities. -Number of usable physical sporting infrastructure build.	In FY 21/22 -we organised the constituency sports tournament where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.
Emergency	To be able to urgently address Unforeseen occurrences in the constituency.	Immediate restoration of daily activities at minimum disruption of daily life occasioned by unforeseen Occurrences.	Numbers of usable physical infrastructure build and other emergency related activities addressed.	In FY 21/22 -we constructed Pit latrine blocks and re-roofing of classrooms in various schools When the schools were facing immediate closure by the county department of health.

IV. Environmental and Sustainability Reporting

Chepalungu NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of Chepalungu NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

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

2. Environmental performance

- *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. Chepalungu constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Chepalungu constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Chepalungu NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Chepalungu NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

The NG CDFC during bursary programme engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

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



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Felix Ntutu

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-Chepalungu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-Chepalungu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Chepalungu Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- Chepalungu Constituency financial statements were approved and signed by the Accounting Officer on 13/04/ 2023.



.....
Bett Nicholas

Chairman – NGCDF Committee

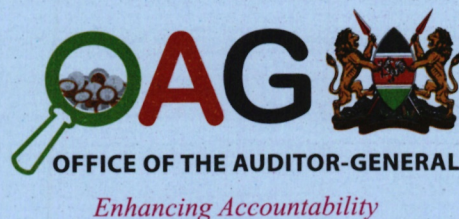


.....
Felix Ntutu

Finance Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Chepalungu Constituency set out on pages 1 to 46,

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

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

In my opinion, because of significance of the matters discussed in the basis for adverse opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Chepalungu Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies:

- 1.1 The statement of receipts and payments reflects expenditure on compensation of employees of Kshs.3,198,034 as disclosed in Note 4 to the financial statements. However, the payroll for the period reflect an amount of Kshs.3,602,924 resulting in unreconciled variance of Kshs.404,890.
- 1.2 The summary statement of appropriation reflects total adjustments of Kshs.51,088,879 while other important disclosures 17.3 to the financial statements reflect Kshs.55,617,857 resulting to unreconciled variance of Kshs.4,528,978.
- 1.3 Note 17.3 to the financial statements on other important disclosures reflects amounts due to other grants and other transfers of Kshs.17,068,119 while computation in Annex 3 reflects Kshs.14,692,241 resulting to unreconciled variance of Kshs.2,375,878.

In the circumstances, the accuracy and completeness of balances reflected in the financial statements could not be confirmed.

2. Cash and Cash Equivalent Balance

The statement of assets and liabilities reflects bank balance of Kshs.7,364,731 as disclosed in Note 10A to the financial statements. Review of the bank reconciliation statement for June, 2022 revealed that the Fund held un-presented cheques amounting to Kshs.4,668,513 out of which Kshs.4,653,513 or 99.7% were stale cheques and not reversed in the cashbook. Further, the statement reflected payments in bank statement not in cash book of Kshs.193,691 in respect to bank charges which have not been disclosed in the financial statements.

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

3. Unsupported Expenditure on Transfer to Other Government Units

The statement of receipts and payments reflects expenditure on transfers to other government units of Kshs.119,715,000 as disclosed in Note 6 to the financial statements. The amount includes transfers to Primary Schools of Kshs.47,160,000 out of which Kshs.41,220,000 was for construction works and transfers to Secondary Schools amounting to Kshs.32,555,000 out of which Kshs.29,615,000 was for construction works. However, the transfers for the construction works were not supported with procurement records such as bill of quantities, tender advertisements, tender evaluation minutes, signed contract, inspection and acceptance committee reports, interim/completion certificates, National Construction Authority (NCA) registration certificates, tax compliance certificates and three year audited financial statements. In addition, Project Management Committee (PMC) accounting records such as cashbooks, bank balance confirmation certificates, expenditure returns and evidence that the projects were implemented in consultation with relevant Government Departments were not provided for audit.

In the circumstances, the accuracy and propriety of transfers to other government units could not be confirmed.

4. Unsupported Expenditure on Bursary

The statement of receipts and payments reflects expenditure on other grants and transfers of Kshs.45,294,891 as disclosed in Note 7 to the financial statements. The amount includes bursary to secondary schools of Kshs.24,452,187 and tertiary institutions of Kshs.15,346,926 all totalling to Kshs.39,799,113. However, only expenditure on bursary of Kshs.17,663,617 was supported with schedules and acknowledgement receipts, leaving expenditure on bursary of Kshs.22,135,496 as unsupported. Further, the Bursary Sub Committee had not been constituted and it is not clear how the beneficiaries were vetted and recommended for bursary awards.

In the circumstances, the accuracy and completeness of expenditure on bursary to secondary schools and tertiary institutions of could not be confirmed.

5. Unsupported Project Management Committee's Account Balances

Note 17.4 to the financial statements on Other Important Disclosures reflects Project Management Committee (PMC) account balance of Kshs.7,082 (2021 – Kshs.235,463) a decrease by Kshs.228,381. However, cashbooks, bank statements and bank balance confirmation certificates were not provided for audit. Further, bank account balances for projects since inception of the Fund have not been disclosed and Management has not explained whether the bank accounts for completed projects were closed and bank balances surrendered to the main Constituency Fund bank account in compliance with Section 12(8) of the National Government Constituencies Development Fund Act, 2015

which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

In the circumstances, the accuracy and completeness of the PMC account balance of Kshs.7,082 as at 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects total budgeted receipts of Kshs.198,706,535 and actual on comparable basis of Kshs.178,917,656 resulting to budget underfunding of Kshs.19,788,879 or 10% of the budget. Similarly, the Fund spent Kshs.171,552,925 against the budget of Kshs.195,706,535 resulting to an under expenditure of Kshs.27,153,610 or 14% of the budget. In addition, there were no explanations to by way of notes for the underutilization below 90% as required by the International Public Sector Accounting Standards Board reporting template.

The underfunding and under absorption of the budget 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, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Budget Imbalance

The summary statement of appropriation reflects budgeted receipts of Kshs.198,706,535 and expenditure budget of Kshs.195,706,535 resulting to a variance of Kshs.3,000,000. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulation, 2015 which states that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, budget shall be balanced.

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

2. Expenditure on Tertiary Institutions

The statement of receipts and payments reflects expenditure on transfers to other government units of Kshs.119,715,000 as disclosed in Note 6 to the financial statements. The amount includes transfers to Tertiary Institutions of Kshs.40,000,000 for the construction of Siongiroi Kenya Medical Training College (KTMC) Campus at Siongiroi Health Centre, a County Government Hospital. However, there was no Memorandum of Understanding between the Fund and the County Government. This was contrary to Article 187(1) of The Constitution of Kenya, 2010 which states that a function or power of government at one level may be transferred to a government at the other level by agreement between the governments. Further, the bill of quantities, tender advertisements, tender evaluation minutes, signed contract, inspection and acceptance committee reports, interim/completion certificates, National Construction Authority (NCA) registration certificates, tax compliance certificates and three year audited financial statements were not provided for audit. In addition, Project Management Committee (PMC) accounting records such as cashbooks, bank balance confirmation certificates, expenditure returns and evidence that the projects were implemented in consultation with relevant Government Departments were not provided for audit.

In the circumstances, Management was in breach of the law and value for money on expenditure on tertiary institutions could not be confirmed.

3. Expenditure on Emergency Projects

The statement of receipts and payments reflects other grants and transfers expenditure of Kshs.45,294,891 as disclosed in Note 7 to the financial statements. The amount includes emergency projects expenditure of Kshs.2,754,000. However, the supporting schedules omitted details of location, the nature of emergency and there was no evidence of reporting to the National Government Constituencies Development Fund Board. This was contrary to Regulation 20(2) of the National Government Constituencies Development Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency.

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

4. Delayed Project Implementation

Review of the project implementation status reports from financial year 2013/2014 to 2021/2022 indicates nine hundred and sixty-two (962) projects had been budgeted for implementation as a cost of Kshs.643,822,726 were funded to the tune of Kshs.643,822,726. Eight hundred and seventy one (871) projects with a budget of Kshs.513,686,358 were completed; seventy (70) projects with budget of Kshs.94,199,813 were on-going and twenty-one (21) projects with a budget of Kshs.35,822,726 which had not started. Management has not explained the reasons for the delay in implementing projects.

In the circumstances, value for money for the ongoing and projects not started could not be confirmed.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, I confirm that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the basis of accounting unless Management is aware of 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 the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

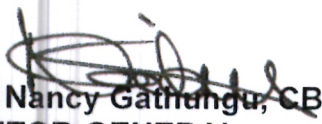
Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

18 July, 2023

Chepalungu 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	168,388,879	155,367,725
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		168,388,879	155,367,725
Payments			
Compensation Of Employees	4	3,198,034	3,241,212
Use Of Goods and Services	5	3,345,000	10,364,095
Transfers To Other Government Units	6	119,715,000	77,237,120
Other Grants and Transfers	7	45,294,891	56,336,000
Acquisition Of Assets	8	-	0.00
Other Payments	9	-	0.00
		-	
Total Payments		171,552,925	147,178,427
Surplus/(Deficit)		(3,164,046)	8,189,298

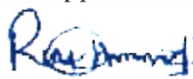
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 13/04/ 2023 and signed by:



Fund Account Manager

Felix Ntutu



National Sub-County
Accountant

Amos Rotich
ICPAK M/No:



Chairman NG-CDF
Committee

Bett Nicholas

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	7,364,731	10,528,777
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		7,364,731	10,528,777
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		7,364,731	10,528,777
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		7,364,731	10,528,777
Represented By			
Fund Balance B/Fwd	13	10,528,777	2,339,480
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(3,164,046)	8,189,298
Net Financial Position		7,364,731	10,528,777

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 13/04/2023 and signed by:



Fund Account Manager

Felix Ntutu



National Sub-County
Accountant

Amos Rotich
ICPAK M/No:



Chairman NG-CDF
Committee

Bett Nicholas

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

	Notes	2021 - 2022	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	168,388,879	155,367,725
Other Receipts	3	-	
Total Receipts		168,388,879	155,367,725
Payments			
Compensation Of Employees	4	3,198,034	3,241,212
Use Of Goods and Services	5	3,345,000	10,364,095
Transfers To Other Government Units	6	119,715,000	77,237,120
Other Grants and Transfers	7	45,294,891	56,336,000
Other Payments	9	-	-
Total Payments		171,552,925.00	147,178,427
Total Receipts Less Total Payments		-	
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(3,164,046)	8,189,298
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(3,164,046)	8,189,298
Cash & Cash Equivalent At Start Of The Year	10	10,528,777	2,339,480
Cash & Cash Equivalent At End Of The Year	10	7,364,731	10,528,777

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 13/04/2023 and signed by:



Fund Account Manager
Felix Ntutu



National Sub-County
Accountant
Amos Rotich
ICPAK M/No:



Chairman NG-CDF
Committee
Bett Nicholas

Chepalungu Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879		51,088,879	188,177,758	168,388,879	19,788,879.00	95%
Opening Balance (C/BK)		10,528,777	0	10,528,777	10,528,777	0.00	0%
Other Receipts				0	-	0.00	0%
TOTAL RECEIPTS	137,088,879	10,528,777	51,088,879	198,706,535	178,917,656	19,788,879.00	90%
PAYMENTS						0.00	0%
Compensation of Employees	3,130,000	62,400	499,500	3,691,900	3,198,034	493,866.00	87%
Use of goods and services	9,573,898	263,161	0	9,837,059	3,345,000	6,492,059.00	34%
Transfers to Other Government Units	64,570,000	6,582,842	48,661,724	119,814,566	119,715,000	99,566	100%
Other grants and transfers	59,814,981	1,157,456.00	1,390,573	62,363,010	45,294,891	17,068,119	73%
Acquisition of Assets	0	0	0	0	-	0.00	0%
Other Payments		0	0	0	-	0.00	0%
Un approved funds		2,462,918	537,082	3,000,000		3,000,000.00	0%
TOTAL	137,088,879	10,528,777	51,088,879	195,706,535	171,552,925	27,153,610.00	86%

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

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	27,153,610
Less undisbursed funds receivable from the Board as at 30th June 2022	19,788,879
	7,364,731
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	7,364,731

The Constituency financial statements were approved on 13/04 2023 and signed by:



Fund Account Manager

Felix Ntutu



National Sub-County
Accountant

Amos Rotich
ICPAK M/No:



Chairman NG-CDF
Committee

Bett Nicholas

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

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

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
	2021/2022	Opening Balance (C/Bk) and AIA	Previous	2021/2022	6/30/2022	
			Years'			
			Outstanding			
			Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.2 Committee allowances	3,365,900	0	0	3,365,900	1,414,000	1,951,900
1.3 Use of goods and services	1,112,666	0	0	1,112,666	320,000	792,666
1.1 Compensation of employees	3,130,000	62,400	499,500	3,691,900	3,198,034	493,866
2.0 Monitoring and evaluation						0
2.1 Capacity building	1,500,000	0	0	1,500,000	0	1,500,000
2.2 Committee allowances	2,095,332	0	0	2,095,332	0	2,095,332
2.3 Use of goods and services	1,500,000	263,161	0	1,763,161	1,611,000	152,161
3.0 Emergency						
Emergency	7,192,207	0	0	7,192,207	2,754,000	4,438,207
3.2 Secondary schools	0	0	0	0	0	0
3.3 Tertiary institutions	0	0	0	0	0	0
3.4 Security projects	0	0	0	0	0	
4.0 Bursary and Social Security	45,705,117.72	1,157,456	1,390,573	48,253,146.72	39,799,113	8,454,033.72
4.1 Primary Schools				0		~
4.2 Secondary Schools	27,924,010					~
4.3 Tertiary Institutions						~
4.4 Universities	17,185,212					~
4.5 Social Security				0	0	~
5.0 Sports	2,741,776	0	0	2,741,776	2,741,776	

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
	2021/2022	Opening Balance (C/Bk) and AIA	Previous	2021/2022	6/30/2022	
			Years'			
			Outstanding			
			Disbursements			
6.0 Environment	2,741,776	0	0	2,741,776	2,741,776	-
7.0 Primary Schools Projects						
(List all the Projects)						
Primary schools	31,070,000	6,582,842				
Bingwa Primary School	350,000	0	0	350,000	350,000	-
Borut Primary School	500,000			500,000	500,000	-
Chebaraa Primary School	300,000	0	0	300,000	300,000	-
Chebitet Primary School	500,000	0	0	500,000	500,000	-
Chebois Primary School	400,000	0	0	400,000	400,000	-
Cheborian Primary School	300,000	0	0	300,000	300,000	-
Cheboriot Primary School	300,000	0	0	300,000	300,000	-
Chelelach Primary School	500,000	0	0	500,000	500,000	-
Cheleget Primary School	600,000	0	0	600,000	600,000	-
Chelelaibei Primary School	1,000,000	0	0	0	0	-
Chemsa Primary School	500,000	0	0	500,000	500,000	-
Chenit Primary School	500,000	0	0	500,000	500,000	-
Chesegem Primary School	500,000	0	0	500,000	500,000	-
Greenland Primary School	500,000	0	0	500,000	500,000	-
Don Bosco Primary School	700,000	0	0	700,000	700,000	-
Kamaraga Primary School	500,000	0	0	500,000	500,000	-
Kamenwo Primary School	500,000	0	0	500,000	500,000	-
Kamogiboi Primary School	500,000	0	0	500,000	500,000	-
Kamosos Primary School	650,000	0	0	650,000	650,000	-
Kamusanga Primary School	500,000	0	0	500,000	500,000	-
Kapamban Primary School	500,000	0	0	500,000	500,000	-
Kaplulukwa Primary School	650,000	0	0	650,000	448,777	201,223

Programme/Sub-Programme	Original Budget	Adjustments				Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA			Previous Years' Outstanding Disbursements			
2021/2022	300,000	0	0	0	300,000	300,000	-	
Kapcheruse Primary School	500,000	0	0	0	500,000	500,000	-	
Kabisimba Primary School	1,200,000	0	0	0	1,200,000	1,200,000	-	
Kapkulumben Primary School	500,000	0	0	0	500,000	500,000	-	
Kaplelechwo Primary School	500,000	0	0	0	500,000	500,000	-	
Kaplewa Primary School	500,000	0	0	0	500,000	500,000	-	
Kapngeti Primary School	500,000	0	0	0	500,000	500,000	-	
Kapngetuny Primary School	500,000	0	0	0	500,000	500,000	-	
Kapoleseroi Primary School	500,000	0	0	0	500,000	500,000	-	
Kapsabul Primary School	500,000	0	0	0	500,000	500,000	-	
Kapsio Primary School	500,000	0	0	0	500,000	500,000	-	
Kaptembwo Lelach Primary School	500,000	0	0	0	500,000	500,000	-	
Kaptumo Primary School	500,000	0	0	0	500,000	500,000	-	
Kaptwolo Primary School	500,000	0	0	0	500,000	500,000	-	
Kimaya Primary School	500,000	0	0	0	500,000	500,000	-	
Kimugul Primary School	500,000	0	0	0	500,000	500,000	-	
Kimugul Primary School	300,000	0	0	0	300,000	300,000	-	
Kipsegon Primary School	500,000	0	0	0	500,000	500,000	-	
Kiptenden - Kongasis Primary School	500,000	0	0	0	500,000	500,000	-	
Koitakel Primary School	500,000	0	0	0	500,000	500,000	-	
Kosia Primary School	500,000	0	0	0	500,000	500,000	-	
Kotoibek Primary School	500,000	0	0	0	500,000	500,000	-	
Lalwat Primary School	500,000	0	0	0	500,000	500,000	-	
Leketetiet Primary School	400,000	0	0	0	400,000	400,000	-	
Leldet Primary School	500,000	0	0	0	500,000	500,000	-	
Masasabei Primary School	500,000	0	0	0	500,000	500,000	-	
Merry Matunda Primary School	500,000	0	0	0	500,000	0	500,000	
Ngonyat Primary School	1,000,000	0	0	0	1,000,000	0	0	

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
	2021/2022	Opening Balance (C/Bk) and AIA	Adjustments		2021/2022	6/30/2022
			Previous			
Years' Outstanding Disbursements						
Nyatembe Primary School	500,000	0	0	500,000	0	500,000
Olesoi Primary School	500,000	0	0	500,000	0	500,000
Areiyet Primary School	350,000	0	0	350,000	0	350,000
Reberwet Primary School	150,000	0	0	150,000	0	150,000
Ronda Primary School	500,000	0	0	500,000	0	500,000
Sagana Primary School	300,000	0	0	300,000	0	300,000
Saunet Primary School	550,000	0	0	550,000	0	550,000
Simotwet Primary School	500,000	0	0	500,000	0	500,000
Siroriondo Primary School	500,000	0	0	500,000	0	500,000
Siseiwet Primary School	450,000	0	0	450,000	0	450,000
Terta Primary School	500,000	0	0	500,000	0	500,000
Tilyot Primary School	500,000	0	0	500,000	0	500,000
Tolilet Primary School	320,000	0	0	320,000	0	320,000
CHEBARA PRIMARY	0	0	0	500,000	0	500,000
KAPTOMBULIET PRI SCHOOL	0	0	0	500,000	0	500,000
CHEPKORGON	0	0	500,000	500,000	0	500,000
GELENGEI	0	0	500,000	500,000	0	500,000
GREENLAND PRI	0	0	500,000	500,000	0	500,000
KABARAK PRI	0	0	500,000	500,000	0	500,000
KAPTICH PRI	0	0	500,000	500,000	0	500,000
KIPSIMBOL PRIM	0	0	500,000	500,000	0	500,000
KIPTENDEN	0	0	500,000	500,000	0	500,000
MAKIMENY	0	0	500,000	600,000	0	600,000
SAGENYA PRIM	0	0	500,000	500,000	0	500,000
SIRORIONDO PRIM	0	0	600,000	600,000	0	600,000
TAITA PRIMARY	0	0	500,000	500,000	0	500,000

Programme/Sub-Programme	Original Budget	Adjustments				Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years'					
			Outstanding Disbursements					
	2021/2022					2021/2022	6/30/2022	
CHEPNYALILLET	0	0	0	500,000		500,000	0	500,000
KIPRANYEI PRIMARY	0	0	0	500,000		500,000	0	500,000
LELECHONIK	0	0	0	500,000		500,000	0	500,000
MARANGETTT PRI	0	0	0	500,000		500,000	0	500,000
CHEPTUIYET NGENDA	0	0	0	500,000		500,000	0	500,000
BARTEGAN	0	0	0	500,000		500,000	0	500,000
KAPLEKWA	0	0	0	500,000		500,000	0	500,000
KAMOSOS PRIMARY	0	0	0	500,000		500,000	0	500,000
CHEPNYALILLET	0	0	0	500,000		500,000	0	500,000
MISMIS PRIMARY	0	0	0	900,000		900,000	0	900,000
MISMIS PRIMARY	0	0	0	100,000		100,000	0	100,000
LELDET PRIMARY	0	0	0	900,000		500,000	0	500,000
CHEPTIGIT PRIMARY	0	0	0	150,000		150,000	0	150,000
KIPKEIGEI PRIMARY	0	0	0	300,000		300,000	0	300,000
KOTTAKRL PRIMARY	0	0	0	500,000		500,000	0	500,000
NGONYAT PRIMARY	0	0	0	500,000		500,000	0	500,000
KAPCHUMBE PRIMARY	0	0	0	300,000		300,000	0	300,000
KAPLEKWA PRIMARY	0	0	0	300,000		300,000	0	300,000
SUGUTEK PRIMARY	0	0	0	500,000		500,000	0	500,000
CHEBUGON B PRIMARY	0	0	0	400,000		400,000	0	400,000
TABARASHO PRIMARY	0	0	0	400,000		400,000	0	400,000
CHEPNYALILLET	0	0	0	200,000		200,000	0	200,000
SF. SOFIA KAPCHEFOKENY	0	0	0	500,000		500,000	0	500,000
KOSIMBEI PRIMARY	0	0	0	300,000		300,000	0	300,000
SAGENYA PRIMARY	0	0	0	500,000		500,000	0	500,000
SEGERETO PRIMARY	0	0	0	550,000		550,000	0	550,000
MOLINGA PRIMARY SCHOOL	0	0	0	340,000		340,000	0	340,000

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
	2021/2022	Opening Balance (C/Bk) and AIA	Previous	2021/2022	6/30/2022	
Years'						
Outstanding						
Disbursements						
KIPTAGE PRIMARY SCHOOL	0	0	430,000	430,000	0	430,000
NGONYAT PRIMARY SCHOOL	0	0	470,000	470,000	0	470,000
KAPSOMBER PRIMARY SCHOOL	0	0	375,000	375,000	0	375,000
CHESOGORI PRIMARY SCHOOL	0	0	355,000	355,000	0	355,000
CHESERTON PRIMARY SCHOOL	0	0	453,000	453,000	0	453,000
KIPKELAT PRIMARY SCHOOL	0	0	370,000	370,000	0	370,000
Kaplelechwo primary school	0	0	453,000	0	0	-
Motigere primary school	0	0	370,000	0	0	-
Mismis primary school	0	0	0	0	0	-
Kiptenden primary school	0		0	0	0	-
Kapsayalel primary school	0	0	0	0	0	-
Muganget primary school	0	0	0	0	0	-
Kelichek primary school	0	0	0	0	0	-
Chebugon primary school	0	0	0	0	0	-
Sugutek primary school	0	0	0	0	0	-
Kosimbei primary school	0	0	0	0	0	-
Kiboson primary school	0	0	0	0	0	-
Kapchumbe primary school	0	0	0	0	0	-
Kesosio primary school	0	0	0	0	0	-
Kapcheplanga primary school	0	0	0	0	0	-
Kaptombuliet primary school	0	0	0	0	0	-
St. sofia primary school	0	0	0	0	0	-
Chemaetany primary school	0	0	0	0	0	-
Kesegut primary school	0	0	0	0	0	-
Makimeny primary school	0	0	0	0	0	-
bingwa primary school	0	0	0	0	350,000	(350,000)

Programme/Sub-Programme	Original Budget	Adjustments				Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements					
	2021/2022				2021/2022	6/30/2022		
cheleget primary school	0	0	0	0	0	1,000,000	(1,000,000)	
chelaibei primary school	0	0	0	0	0	500,000	(500,000)	
chemsa primary school	0	0	0	0	0	500,000	(500,000)	
chenit primary school	0	0	0	0	0	500,000	(500,000)	
chesegem primary school	0	0	0	0	0	500,000	(500,000)	
greenland primary school	0	0	0	0	0	700,000.00	(700,000)	
don bosco primary school	0	0	0	0	0	500,000.00	(500,000)	
kamaraga primary school	0	0	0	0	0	500,000.00	(500,000)	
kamenwo primary school	0	0	0	0	0	500,000.00	(500,000)	
kamogiboi primary school	0	0	0	0	0	650,000.00	(650,000)	
borut primary school	0	0	0	0	0	500,000.00	(500,000)	
kamosos primary school	0	0	0	0	0	500,000.00	(500,000)	
kamusanga primary school	0	0	0	0	0	500,000.00	(500,000)	
kapamban primary school	0	0	0	0	0	650,000.00	(650,000)	
kaplulukwa primary school	0	0	0	0	0	300,000.00	(300,000)	
kapcheruse primary school	0	0	0	0	0	500,000.00	(500,000)	
kabisimba primary school	0	0	0	0	0	1,200,000.00	(1,200,000)	

Programme/Sub-Programme	Original Budget	Adjustments			Final Budget	Actual on comparable basis	Budget utilization difference	
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements					
	2021/2022			2021/2022	6/30/2022			
kapkulumben primary school	0	0	0	0	500,000.00	(500,000)		
kaplelechwo primary school	0	0	0	0	500,000.00	(500,000)		
kaplekwa primary school	0	0	0	0	500,000.00	(500,000)		
kapneti primary school	0	0	0	0	500,000.00	(500,000)		
chebaraa primary school	0	0	0	0	300,000.00	(300,000)		
kapnetuny primary school	0	0	0	0	500,000.00	(500,000)		
kapolesoroi primary school	0	0	0	0	500,000.00	(500,000)		
kapsabul primary school	0	0	0	0	500,000.00	(500,000)		
kapsio primary school	0	0	0	0	500,000.00	(500,000)		
kaptembwo- lelach primary school	0	0	0	0	500,000.00	(500,000)		
kaptumo primary school	0	0	0	0	500,000.00	(500,000)		
kaptwolo primary school	0	0	0	0	500,000.00	(500,000)		
kimaya primary school	0	0	0	0	500,000.00	(500,000)		
kimugul primary school	0	0	0	0	500,000.00	(500,000)		
chebelion primary school	0	0	0	0	500,000.00	(500,000)		
kimugul primary school	0	0	0	0	300,000.00	(300,000)		
kipsegon primary school	0	0	0	0	500,000.00	(500,000)		

Programme/Sub-Programme	Original Budget	Adjustments				Final Budget	Actual on comparable basis		Budget utilization difference
		Opening Balance (C/Bk) and AIA			Previous Years' Outstanding Disbursements				
	2021/2022					2021/2022	6/30/2022		
kiptenden-kongasis primary school	0	0	0	0	0	0	500,000.00	(500,000)	
koitakel primary school	0	0	0	0	0	0	500,000.00	(500,000)	
kosia primary school	0	0	0	0	0	0	500,000.00	(500,000)	
koitobek primary school	0	0	0	0	0	0	500,000.00	(500,000)	
lalwat primary school	0	0	0	0	0	0	400,000.00	(400,000)	
leletiet primary school	0	0	0	0	0	0	500,000.00	(500,000)	
leldet primary school	0	0	0	0	0	0	500,000.00	(500,000)	
chebitet primary school	0	0	0	0	0	0	400,000.00	(400,000)	
masasabei primary school	0	0	0	0	0	0	500,000.00	(500,000)	
merry matunda primary school	0	0	0	0	0	0	1,000,000.00	(1,000,000)	
ngonyat primary school	0	0	0	0	0	0	500,000.00	(500,000)	
nyatembe primary school	0	0	0	0	0	0	500,000.00	(500,000)	
olesoi primary school	0	0	0	0	0	0	350,000.00	(350,000)	
areiyet primary school	0	0	0	0	0	0	150,000.00	(150,000)	
reberwet primary school	0	0	0	0	0	0	500,000.00	(500,000)	
ronda primary school	0	0	0	0	0	0	300,000.00	(300,000)	
sagana primary school	0	0	0	0	0	0	550,000.00	(550,000)	

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
		2021/2022	Opening Balance (C/Bk) and AIA		Previous	
Years'						
Outstanding						
Disbursements						
chebois primary school	0	0	0	0	300,000.00	(300,000)
simotwet primary school	0	0	0	0	500,000.00	(500,000)
siroriondo primary school	0	0	0	0	450,000.00	(450,000)
siseiwet primary school	0	0	0	0	500,000.00	(500,000)
terta primary school	0	0	0	0	500,000.00	(500,000)
tilyot primary school	0	0	0	0	320,000.00	(320,000)
tolilet primary school	0	0	0	0	500,000.00	(500,000)
cheborian primary school	0	0	0	0	300,000.00	(300,000)
cheboriot primary school	0	0	0	0	500,000.00	(500,000)
chelelach primary school	0	0	0	0	600,000.00	(600,000)
8.0 Secondary Schools Projects (List all the Projects)						-
Mathew Maritim Secondary School	600,000	0	0	600,000	0	600,000
Atebwo Secondary School	600,000			600,000	0	600,000
Chebelion Secondary School	400,000	0	0	695,298	0	695,298
Cheptagum Secondary School	600,000	0	0	600,000	0	600,000
Kabema Secondary School	800,000	0	0	800,000	0	800,000
Kabisimba Secondary School	700,000	0	0	700,000	0	700,000
Kamogiboi Secondary School	750,000	0	0	750,000	0	750,000
Kamogiboi Secondary School	250,000	0	0	250,000	0	250,000
Kamongil Secondary School	700,000	0	0	700,000	0	700,000
Kaptwolo Secondary School	500,000	0	0	700,000	0	700,000

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
	2021/2022	Opening Balance (C/Bk) and AIA	Previous	2021/2022	6/30/2022	
			Years'			
			Outstanding			
			Disbursements			
Kelichek Secondary School	650,000	0	0	650,000	0	650,000
Kipkeigei Secondary School	400,000	0	0	400,000	0	400,000
Kipkuror Secondary School	700,000	0	0	700,000	0	700,000
Kiptunoi Secondary School	350,000	0	0	350,000	0	350,000
Kiriba Secondary School	600,000	0	0	600,000	0	600,000
Mwokyot Secondary School	600,000	0	0	600,000	0	600,000
Ndamichonik Secondary School	500,000	0	0	500,000	0	500,000
Lelaitich Secondary School	2,000,000	0	0	2,000,000	0	2,000,000
Sigor Day Mixed Secondary School	600,000	0	0	600,000	0	600,000
Sogororbei Secondary School	600,000	0	0	600,000	0	600,000
Sugurmega Secondary School	600,000	0	0	600,000	0	600,000
Kapolesoroi Secondary School	1,000,000	0	0	1,000,000	0	1,000,000
Kamosiro Sec	0	0	0	606,787	0	606,787
Nyakichiwa Sec	0	0	0	500,000	0	500,000
Sigor Day	0	0	700,000	700,000	0	700,000
Chebunyo Girls	0	0	900,000	900,000	0	900,000
Chebunyo Girls	0	0	300,000	300,000	0	300,000
Chemenga Sec	0	0	505,000	505,000	0	505,000
Sigor Day	0	0	230,000	230,000	0	230,000
Chemengwa	0	0	389,196	389,196	0	389,196
Kipsuter	0	0	450,000	450,000	0	450,000
Masindoni Secondary School	0	0	600,000	600,000	0	600,000
Kipsuter Day Sec	0	0	500,000	500,000	0	500,000
Nyambuho Sec	0	0	800,000	800,000	0	800,000
Nyakichiwa Sec	0	0	212,000	212,000	0	212,000

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
	Opening Balance (C/Bk) and AIA	Previous	2021/2022	6/30/2022		
		Years'				
Outstanding Disbursements						
Itembe Sec	0	0	400,000	400,000	0	400,000
Kaptwolo Sec	0	0	500,000	500,000	0	500,000
Chebitet Sec	0	0	300,000	300,000	0	300,000
Kiproroget Sec	0	0	5,000,000	5,000,000	0	5,000,000
mathew maritim secondary school	0	0	0	0	600,000	(600,000)
kipkeigei secondary school	0	0	0	0	400,000.00	(400,000)
kipkuror secondary school	0	0	0	0	700,000.00	(700,000)
kiptunoi secondary school	0	0	0	0	350,000.00	(350,000)
kiriba secondary school	0	0	0	0	600,000.00	(600,000)
mwokyot secondary school	0	0	0	0	600,000.00	(600,000)
ndamichonik secondary school	0	0	0	0	500,000.00	(500,000)
lelaitich secondary school	0	0	0	0	1,000,000.00	(1,000,000)
sigor day mixed secondary school	0	0	0	0	600,000.00	(600,000)
atebwo secondary school	0	0	0	0	600,000.00	(600,000)
sogororbei secondary school	0	0	0	0	600,000.00	(600,000)
sugurmega secondary school	0	0	0	0	600,000.00	(600,000)
kapolesoroi secondary school	0	0	0	0	1,000,000.00	(1,000,000)
kelichek secondary school	0	0	0	0	650,000.00	(650,000)

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
	2021/2022	Opening Balance (C/Bk) and AIA	Previous	2021/2022	6/30/2022	
Years'						
Outstanding						
Disbursements						
kabema secondary school	0	0	0	0	800,000.00	(800,000)
chebelion secondary school	0	0	0	0	400,000.00	(400,000)
kabema secondary school	0	0	0	0	600,000.00	(600,000)
kamogiboi secondary school	0	0	0	0	250,000.00	(250,000)
kamogiboi secondary school	0	0	0	0	250,000.00	(250,000)
kamongil secondary school	0	0	0	0	700,000.00	(700,000)
kaptwolo secondary school		0	0	0	500,000.00	(500,000)
9.0 Tertiary institutions Projects (List all the Projects)						
Siongiroi KMTC Campus	20,000,000	0	0	31,376,175	40,000,000	(8,623,825)
Chepalungu TTI		0	0		0	-
10.0 Security Projects						
Kabisimba Ass Chiefs Office	400,000	0			400,000	(400,000)
Bingwa Chiefs Office	400,000				400,000	(400,000)
Tilangok Assistant Chiefs Office	400,000	0	0		400,000	(400,000)
Lelaitich Chiefs Office	200,000	0	0		200,000	(200,000)
Kapisoge Assistant Chiefs Office	400,000	0	0		400,000	(400,000)
11.0 Acquisition of assets		0	0	0	0	-
11.1 Motor Vehicles (including motorbikes)	0	0	0	0	0	-

Programme/Sub-Programme	Original Budget			Final Budget	Actual on	Budget utilization difference
					comparable basis	
		Adjustments				
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements		
	2021/2022			2021/2022	6/30/2022	
11.2 Construction of CDF office	0	0	0	0	0	~
11.3 Purchase of furniture and equipment	0	0	0	0	0	~
11.4 Purchase of computers	0	0	0	0	0	~
11.5 Purchase of land	0	0	0	0	0	~
12.0 Others	0	0	0	0	0	~
12.1 Strategic Plan	0	0	0	0	0	~
12.2 Innovation Hub	0	0	0	0	0	~
Funds pending approval**	0	2,462,918	537,082	3,000,000	0	3,000,000
Total	137,088,879	10,528,777	51,088,879	198,706,535	171,552,925	27,153,610

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B047007		15,000,000
AIE NO. B041083		19,000,000
AIE NO. B104800		20,147,977
AIE NO. B124502		9,000,000
AIE NO. B124911		10,000,000
AIE NO. B124833		15,219,748
AIE NO. B154383		12,000,000
AIE NO. B12823		6,900,000
AIE NO. B129197		6,000,000
AIE NO. B138960		12,000,000
AIE NO. B126075		7,000,000
AIE NO. B126365		11,100,000
AIE NO. B 047007		12,000,000
AIE NO.B154278	21,388,879	
AIE NO.B128782	12,000,000	
AIE NO. B154383	12,000,000	
AIE NO. B132467	5,000,000	
AIE NO B105644	44,000,000	
AIE NO. B140588	33,000,000	
AIE NO. B105743	22,000,000	
AIE NO. B104589	19,000,000	
TOTAL	168,388,879	155,367,725

2. Proceeds From Sale of Assets

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

3. Other Receipts

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

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,152,918	3,193,318
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	45,116	47,894.00
Total	3,198,034	3,241,212

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	1,414,000	4,331,000
Utilities, supplies and services	1,611,000	5,587,045
Communication, supplies and services	-	9,450
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	326,600
Other committee expenses	-	-
Committee allowance	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	320,000	110,000
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	3,345,000	10,364,095

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	47,160,000	56,317,120
Transfers To Secondary Schools (See Attached List)	32,555,000	19,920,000
Transfers To Tertiary Institutions (See Attached List)	40,000,000	1,500,000
Total	119,715,000	77,737,120

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	24,452,187	29,365,980
Bursary – tertiary institutions (see attached list)	15,346,926	14,591,620
Bursary – special schools (see attached list)	0	
Mock & CAT (see attached list)	0	
Social Security programmes (NHIF)	0	
Security projects (see attached list)	0	
Sports projects (see attached list)	2,741,778	2,720,400
Environment projects (see attached list)	0	2,740,000
Emergency projects (see attached list)	2,754,000	6,918,000
Total	45,294,891	56,336,000

8. Acquisition of Assets

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

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Notes To the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
ACCESS BANK BOMET BRANCH-CHEPALUNGU NGCDF-A/C no.0170100000072	7,364,731	10,528,777
Total	7,364,731	10,528,777

10 B: Cash on Hand

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

11: Outstanding Imprests

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

Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	10,528,777	2,339,480
Cash in hand		-
Imprest		-
Total	10,528,777	2,339,480

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	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 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	493,866	561,900
Use of goods and services	6,492,059	263,161
Amounts due to other Government entities (see attached list)	99,566	53,244,556
Amounts due to other grants and other transfers (see attached list)	17,068,119	-
Acquisition of assets	-	-
Funds pending approval	3,000,000	1,548,040
Other Payments	-	-
Total	27,153,610	55,617,657

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)		
CHEPNYALILIET CENTRAL PRIMARY SCHOOL		2,659
LELBOINET PRIMARY SCHOOL		516
KIPSIRAT PRIMARY SCHOOL		65,835
SAKANA PRIMARY SCHOOL		1,572
KIPSIRAT SOT PRIMARY SCHOOL		7,824
NYAMBUGO SECONDARY SCHOOL		137,443
CHESARUR PRIMARY SCHOOL		13,336
KURMANA PRIMARY SCHOOL		105.52
KAPTEMBWO PRIMARY SCHOOL		1,709
ITEMBE PRIMARY SCHOOL		1,770
MOTIGERE PRIMARY SCHOOL		521
LUGUMEK PRIMARY SCHOOL		2,172
KIPRANYE PRIMARY SCHOOL	3,452	
ST. MICHAELS PRIMARY SCHOOL	800	
CHEBIRIR PRIMARY SCHOOL	720	
METIPSO PRIMARY SCHOOL	1,225	
KAPISOGE PRIMARY SCHOOL	585	
KIMATISIO PRIMARY SCHOOL	300	
Total	7,082	235,463

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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

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

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Payment of Employee's salaries	493,866	1,079,778	
Use of goods & services	Purchase of Fuel, vehicle repairs and maintenance, printing, stationery, telephone, travel, advertising, branding, consultancy and subsistence, office utility bills, legal services	6,492,059	673,112	
Amounts due to other Government entities		99,566		
Bingwa primary school	Construction of one classroom to completion		350,000.00	
Cheleget primary school	Completion of two classroom (doors and windows fitting, plastering and painting)		1,000,000.00	
Chelaipei primary school	Construction of one classroom to completion		500,000.00	
Chemsa primary school	Completion of two classroom (doors and windows fitting, plastering and painting)		500,000.00	
Chenit primary school	Construction of one classroom to completion		500,000.00	
Chesegem primary school	Construction of one classroom to completion		500,000.00	
Don Bosco primary school	Construction of one classroom to completion		500,000.00	
Kamaraga primary school	Construction of one classroom to completion		500,000.00	
Kamenwo primary school	Construction of one classroom to completion		500,000.00	
Kamogiboi primary school	purchase of an acre piece of land		400,000.00	
Borut primary school	Construction of one classroom to completion		500,000.00	
kamosos primary school	Construction of one classroom to completion		500,000.00	
kamusanga primary school	Construction of one classroom to completion		500,000.00	
kapamban primary school	Construction of one classroom to completion		650,000.00	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
kaplulukwa primary school	Construction of one classroom to completion		300,000.00	
kapcheruse primary school	Construction of one classroom to completion		500,000.00	
kapkulumben primary school	Construction of one classroom to completion		500,000.00	
kaplelechwo primary school	Construction of one classroom to completion		500,000.00	
kaplekwa primary school	Construction of one classroom to completion		500,000.00	
kapngeti primary school	Construction of one classroom to completion		500,000.00	
chebaraa primary school	Construction of one classroom to completion		300,000.00	
kapngetuny primary school	Construction of one classroom to completion		500,000.00	
kapolesoroi primary school	Construction of one classroom to completion		500,000.00	
kapsabul primary school	Construction of one classroom to completion		500,000.00	
kapsio primary school	Construction of one classroom to completion		500,000.00	
kaptembwo- lelach primary school	Construction of one classroom to completion		500,000.00	
kaptumo primary school	Construction of one classroom to completion		500,000.00	
kaptwolo primary school	Construction of one classroom to completion		500,000.00	
kimaya primary school	Construction of one classroom to completion		500,000.00	
kimugul primary school	Construction of one classroom to completion		500,000.00	
Nyakichiwa Sec	Construction of two classroom to completion		600,000	
Itembe Sec	Construction of one classroom to completion		500,000	
Kaptwolo Sec	Purchase of 1 acre piece of land		500,000	
Chebitet Sec	Construction of one classroom to completion		500,000	
Kiproroget Sec	Construction of one classroom to completion		500,000	
Mathew Maritim Secondary School	Completion of two classroom (doors and windows fitting, plastering and painting)		500,000	
Chepkorgon secondary school	Construction of one		500,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	classroom to completion			
Gelengei secondary school	Completion of two classroom (doors and windows fitting, plastering and painting)		500,000	
SAGENYA PRIM	Construction of one classroom to completion	-	500,000	
SIRORIONDO PRIM	Construction of one classroom to completion	-	600,000	
TAITA PRIMARY	Construction of one classroom to completion	-	500,000	
CHEPNYALILIET	Construction of one classroom to completion	-	600,000	
KIPRANYEI PRIMARY	Construction of one classroom to completion	-	500,000	-
LELECHONIK	Construction of one classroom to completion	-	500,000	
MARANGETIT PRI	Construction of one classroom to completion	-	500,000	
CHEPTUIYET NGENDA	Construction of one classroom to completion	-	500,000	
BARTEGAN	Construction of one classroom to completion	-	500,000	
KAPLEKWA	Construction of one classroom to completion	-	500,000	
KAMOSOS PRIMARY	Construction of one classroom to completion	-	500,000	
CHEPNYALILIET	Construction of one classroom to completion	-	500,000	
MISMIS PRIMARY	Construction of one classroom to completion	-	500,000	
MISMIS PRIMARY	Construction of one classroom to completion	-	500,000	
LELDET PRIMARY	Construction of one classroom to completion	-	900,000	-
CHEPTIGIT PRIMARY	Construction of one classroom to completion	-	100,000	
KIPKEIGEI PRIMARY	Construction of one classroom to completion	-	500,000	
KOITAKRL PRIMARY	Construction of one classroom to completion	-	150,000	
NGONYAT PRIMARY	Construction of one classroom to completion	-	300,000	
KAPCHUMBE PRIMARY	Construction of one classroom to completion	-	500,000	
KAPLEKWA PRIMARY	Construction of one classroom to completion	-	500,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
SUGUTEK PRIMARY	Construction of one classroom to completion	-	300,000	
CHEBUGON B PRIMARY	Construction of one classroom to completion	-	300,000	
TABARASHO PRIMARY	Construction of one classroom to completion	-	500,000	
CHEPNYALILIET	Construction of one classroom to completion	-	400,000	
SF. SOFIA KAPCHEPOKENY	Construction of one classroom to completion	-	400,000	-
KOSIMBEI PRIMARY	Construction of one classroom to completion	-	200,000	
SAGENYA PRIMARY	Construction of one classroom to completion	-	500,000	
SEGERETO PRIMARY	Construction of one classroom to completion	-	300,000	
MOLINGA PRIMARY SCHOOL	Construction of one classroom to completion	-	500,000	
KIPTAGE PRIMARY SCHOOL	Construction of one classroom to completion	-	550,000	
NGONYAT PRIMARY SCHOOL	Construction of one classroom to completion	-	340,000	
KAPSOMBER PRIMARY SCHOOL	Construction of one classroom to completion	-	430,000	
CHESOGORI PRIMARY SCHOOL	Construction of one classroom to completion	-	470,000	
CHESERTON PRIMARY SCHOOL	Construction of one classroom to completion	-	375,000	
KIPKELAT PRIMARY SCHOOL	Construction of one classroom to completion	-	355,000	-
KAPLELECHWO PRIMARY SCHOOL	Construction of one classroom to completion	-	453,000	
MOTIGERE PRIMARY SCHOOL	Construction of one classroom to completion	-	270,000	
SIGOR DAY SCHOOL	Construction of one classroom to completion	-	237,742	
CHEBUNYO GIRLS	Construction of one classroom to completion	-	500,000	
CHEBUNYO GIRLS	Construction of one classroom to completion	-	700,000	
CHEMENGA SEC	Construction of one classroom to completion	-	900,000	
SIGOR DAY	Construction of one classroom to completion	-	300,000	
CHEMENGWA	Construction of one classroom to completion	-	505,000	
KIPSUTER	Construction of one	-	230,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	classroom to completion			
MASINDONI SECONDARY SCHOOL	Construction of one classroom to completion	-	389,196	
KIPSUTER DAY SEC	Construction of one classroom to completion	-	450,000	
NYAMBUGO SEC	Construction of one classroom to completion	-	600,000	
NYAKICHIWA SEC	Construction of one classroom to completion	-	500,000	
ITEMBE SEC	Construction of one classroom to completion	-	800,000	
KAPTWOLO SEC	Construction of one classroom to completion	-	112,000	
CHEBITET SEC	Construction of one classroom to completion	-	400,000	
KIPROROGET SEC	Construction of one classroom to completion	-	500,000	
MATHEW MARITIM SECONDARY SCHOOL	Construction of one classroom to completion	-	300,000	
KIPKEIGEI SECONDARY SCHOOL	Construction of one classroom to completion	-	5,000,000	
Amounts due to other grants and other transfers			-	-
Bursary	Payment of bursary to needy students	8,454,033.72	2,548,029	-
Social Security(NHIF)	-	-	-	-
Constituency Sports Project	-	-		-
Constituency Environment Project	-	-		-
Security Projects()	-	1,800,000		-
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	4,438,207		-
Sub-Total	-	24,153,610	52,617,857	
Acquisition of assets	-	-	-	-
Others (<i>specify</i>)	-		-	-
Sub-Total	-	-	-	-
Funds pending approval	-	3,000,000	3,000,000	-
Grand Total	-	27,153,610	55,617,857	-

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				
Buildings and structures	-	-	-	16,868,000
Transport equipment	-	-	-	6,200,000
Office equipment, furniture and fittings	-	-	-	448,000
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	-	-	-	23,516,00

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

PMC	Bank	Account number	Date opened	Bank Balance 2021/22	Bank Balance 2020/21
CHEPNYALILIET CENTRAL PRIMARY SCHOOL	ACCESS BANK	0170200000035	02/03/2021		2,659.82
LELBOINET PRIMARY SCHOOL	ACCESS BANK	0170200000038	05/03/2021		516.49
KIPSIRAT PRIMARY SCHOOL	ACCESS BANK	0170230000753	9/03/2021		65,835.19
SAKANA PRIMARY SCHOOL	ACCESS BANK	0170200000032	9/03/2021		1,571.83
KIPSIRAT SOT PRIMARY SCHOOL	ACCESS BANK	0170200000061	11/03/2021		7,823.60
NYAMBUGO SECONDARY SCHOOL	ACCESS BANK	0170200000063	24/03/2021		137,443.26
CHESARUR PRIMARY SCHOOL	ACCESS BANK	0170200000071	18/03/2021		13,336.05
KURMANA PRIMARY SCHOOL	ACCESS BANK	0170200000065	23/03/2021		105.52
KAPTEMBWO PRIMARY SCHOOL	ACCESS BANK	0170200000060	02/04/2021		1,708.80
ITEMBE PRIMARY SCHOOL	ACCESS BANK	0170200000074	5/04/2021		1,769.69
MOTIGERE PRIMARY SCHOOL	ACCESS BANK	0170200000080	16/04/2021		520.56
LUGUMEK PRIMARY SCHOOL	ACCESS BANK	0170200000090	25/03/2021		2,171.54
KIPRANYE PRIMARY SCHOOL	ACCESS BANK	0171011512154	11/08/2021	3,452	
ST. MICHAELS PRIMARY SCHOOL	ACCESS BANK	0170424578827	17/08/2021	800	
CHEBIRIR PRIMARY SCHOOL	ACCESS BANK	0170656727788	10/09/2021	720	
METIPSO PRIMARY SCHOOL	ACCESS BANK	0170387972244	20/09/2022	1,225	
KAPISOGE PRIMARY SCHOOL	ACCESS BANK	0170365422743	15/09/2021	585	
KIMATISIO PRIMARY SCHOOL	ACCESS BANK	0170897524535	9/09/2021	300	
Total				7,082	235,463

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)
	Cash and Cash Equivalents i. The statement of assets and liabilities reflects cash and cash equivalent balance of Kshs.16,528,777 as detailed in Note 10A to the financial statements which differs with the bank reconciliation cash book balance of Kshs.10,528,777 leading to un reconciled variance of Kshs.6,000,000.	<i>The unreconciled variance of Kshs.6,000,000 was wrongly captured in form of double entry leading to unreconciled leading to variance of Kshs. 6,000,000, however the same has been rectified in the financial statement.</i>	Resolved	
	Included in the bank reconciliation statement are unrepresented cheques amounting to Kshs.26,984,496.53 out of which cheques of Kshs.8,091,314 were stale as at 30 June 2021. The stale cheques had long expired but no action, investigation or reversal had been done as at 30 June 2021. Further, included in the unrepresented cheque amount is Kshs.5,000,000 relating to amounts	All the stale cheques have since been reversed and re issued to various institutions to the deserved beneficiaries. This was occasioned by the covid19 pandemic which paralyzed learning activities leading to the unrepresented cheques. The Kshs.5,000,000	Resolved	

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)
	transferred in the bank through an electronic funds transfer to the beneficiary schools and therefore erroneously reflected as unpresented cheque in the reconciliation.	transferred was funds for the purchase of 46 seater capacity bus for Mengwet secondary school.		
	Summary of Fixed Assets Register Annex 4 to the financial statements on summary of fixed asset register reflects Kshs.23,516,000 in respect of total assets comprising of buildings and structures Kshs.16,868,000, transport equipment (Motor Vehicles) Kshs.6,200,000 and office equipment, furniture and fittings Kshs.448,000. However, the ownership documents for land where the buildings stand and motor vehicle log book were not provided for audit review.	The ownership a document of the land was not availed during the audit exercise, however the document which validates and shows the ownership of land is with the District County Commision. We sits on a public land owned by the mentioned above. We have made communication for the said documents to be presented to our office for purpose of audit review and verification.	Resolved	
	Other Grants and Transfers 1.1 Emergency Reserves Note 7 to the financial statements reflects other grants and transfers of Kshs.56,336,000 out of which Kshs.6,918,000	The Kshs.6,918,000 was issued to various institutions but during the audit exercise payment vouchers was not presented,	Resolved	

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)
	relates to emergency projects. However, no evidence to the effect that utilization of emergency reserve was reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 was not produced for audit review.	however, during our management response all the payment vouchers were presented for review. We have also install measures to steadfast the process to communicate to the Board regarding the emergency in the constituency.		

Felix Ntutu
Fund Account Manager.



