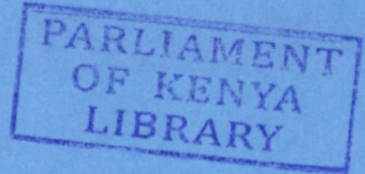


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 AUG 2024	DAY: Tuesday
TABLED BY: Hon. Naomi Wazir MP	OF Deputy Majority Party Whip
CLERK AT THE TABLE: Ashirika	



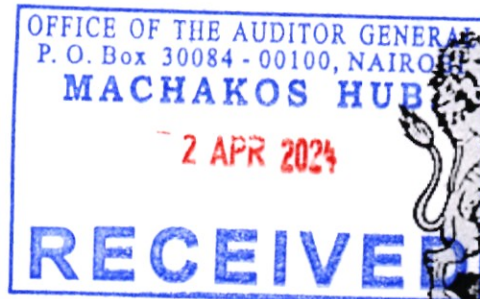
REPORT

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KANGUNDO
CONSTITUENCY**

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



KANGUNDO CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

Kangundo Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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National Government Constituencies Development Fund (NG-CDF)
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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

ARMC- Audit and Risk Management Committee

OSHA-Occupational Safety and Health Act

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 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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- 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.

(a) Key Management

The Kangundo Constituency NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(b) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Wesley Kibet Ng'eno
2.	Sub-County Accountant	Everline O. Omung'ala
3.	Chairman NG-CDFC	John Kituku Nzuki
4.	Secretary NG-CDFC	Catherine Mary Ngila

(c) Fiduciary Oversight Arrangements

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

(d) Kangundo Constituency NGCDF Headquarters

P.O. Box 1035-90115
NGCDF Kangundo Building
Kangundo Police Station Road
Kangundo, KENYA

(e) Kangundo Constituency NGCDF Contacts

Telephone: (254) 0724-781-421
E-mail: cdfkangundo@ngcdf.go.ke
Website: www.ngcdf.go.ke

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(f) Kangundo Constituency NGCDF Bankers

Equity Bank
Tala Branch
P.O Box 343-90131
Tala

(g) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

III. NG-CDFC Chairman's Report

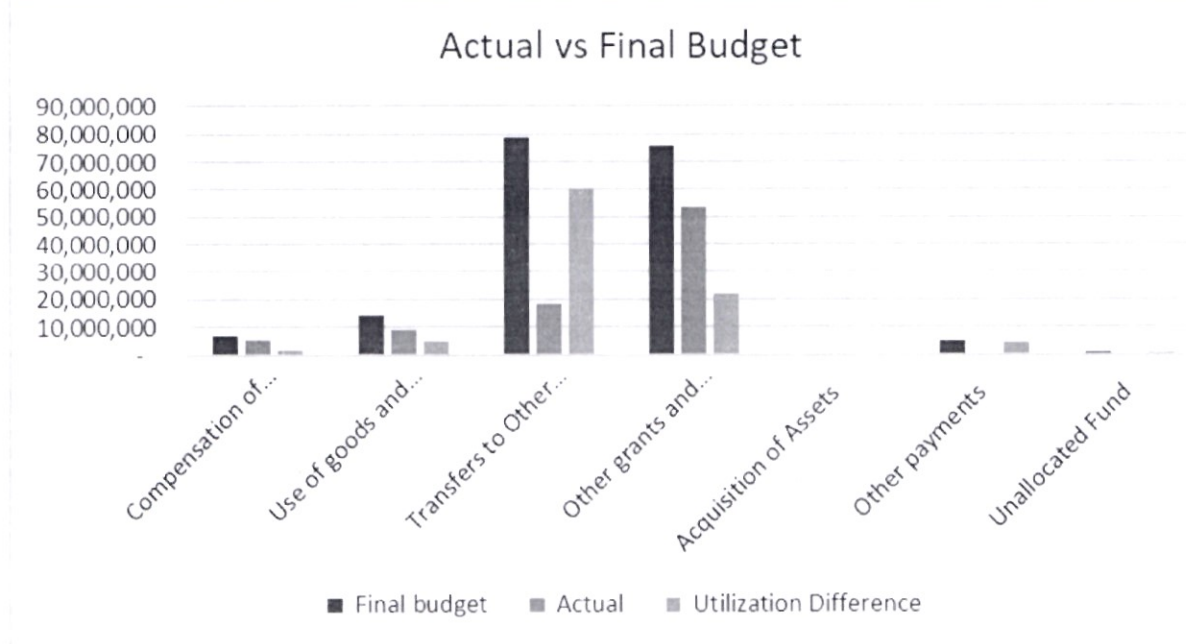


John Kituku Nzuki-Chairman Kangundo NGCDFC

The National Government Constituency Development Fund Kangundo has had a successful year other than for a few challenges here and there. The organization was able to receive Kshs. 99,500,000 as funding from the board during the financial year. Together with the balance brought forward and AIA collected during financial year of Kshs. 7,000 the organization had an actual funds available totalling to Kshs. 129,096,184 out of which we successfully utilized Kshs 86,659,215 which is a 67% utilization rate. Specifically, compensation of employees amounted to Kshs.5,221,734; use of goods and services amounted to Kshs.9,186,524; while Kshs. 18,420,646 was transferred to other government units, other grants and transfers amounted to Kshs.53,386,310. As compared to the final budget, however, the utilization rate was 48% which is due to the funds that have not been received from the board and funds which were received late as the financial year came to an end.

Below is a chart detailing the actual expenditure as compared to the final budget.

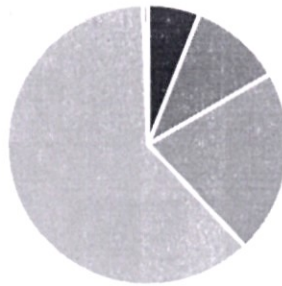
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As per the above graph transfers to other government units which includes: primary schools and secondary schools projects had the highest final budget, followed by other grants and transfers which included; bursary to secondary schools, bursary to tertiary institutions, bursary to special schools, security projects and emergency projects. Other payments had the lowest share in the final budget. During the financial year the constituency utilised more funds received on other grants and transfers especially bursary programmes to secondary, special and tertiary institutions as depicted in the graph above. Other expenditures during the financial year included; use of goods and services, compensation of employees. The utilization difference was very high for the transfer to other government units, followed by other grants and transfers due to the funds not disbursed to the constituency at the end of financial year. The utilization difference for the compensation of employees was lowest as depicted from the graph since the constituency had received most of the funds from the board.

Below is a pie chart detailing the actual spend of the constituency per sector:

Actual Spend



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

As shown from the above pie chart most of the received funds were utilized on other grants and transfers which included disbursement of bursaries to students, security projects and emergency projects. Followed by transfer to other government units such as transfer to primary schools, secondary schools and tertiary institutions then use of good and services. Compensation of employees had the lowest actual expenditure as depicted in the above pie chart.

The fund was successful in that we were able to disburse bursary to needy students in the constituency and also disbursed bursary for short courses to youths in the constituency. We were able to support infrastructural growth in primary and secondary schools as well as infrastructure for security offices.

Some of the best projects implemented during the year were:

1. Kivi Assistant Chief's office- Construction of Administration office

Kivi Assistant Chief's Office is located in Kivi sub-location, Kivaani location in Kangundo constituency. Kivi sub-location is a new sub-location which has a high population and covers a large area hence there was a need for construction of an office for assistant chief to bring security services closer to the citizens. The construction of the office was to reduce crime cases in the area and reduce the movement of people looking for government services in other areas far from their location. At large the impact of the project to the community has been felt as the security has been enhanced in the area reducing the crime rates.

Below is a photo of the complete project and in use.



2. Kangundo DEB Secondary School- construction of 2 classrooms to completion

Kangundo DEB Secondary School is located in Kangundo constituency and has got a population of over 300 students that brought into consideration the need to do a construction of 2 classrooms to cater for more students' enrolment for the coming years. Also, the NG-CDF Kangundo feels that the needs of the students had been taken care of and hence creating a more conducive learning environment for the students.

Below is a photo to support the progress of the projects in the school in respect to the PMC members that were in charge of the project from the grassroots to how it was completed.



Emerging Issues

- Due to covid 19 guidelines schools were asked to maintain social distance as a result of that need for more classrooms. In addition, they demanded for creation of washing points at every entry in the school compound.
- The amount allocated to projects on construction of classrooms and toilets need to be looked into given that it was not enough to do the full job.

Challenges

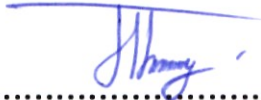
In course of the project implementation the NG-CDF encountered a number of challenges:

- Delay in receipt from the NG-CDF Board leading to underutilization of the budget
- During this financial year prolonged political environment led to delayed reconstitution of the committee and budgeting process.
- The initial budget allocation was based on engineers estimate that was later affected by increase in the cost of building materials.

Way forward/Recommendation

- The NG-CDF Kangundo will work closely with NGCDF Board to ensure all funds are received on time to solve the challenge of underutilization.
- The country has now stabilised and the committee has embarked on budget preparation of financial year 2023-2024.
- Our public works department has reviewed upwards the initial cost estimates to reflect the current economic conditions.

Signature



.....
**Name: JOHN KITUKU NZUKI
CHAIRMAN NG-CDF COMMITTEE**



IV. Statement of Performance against Predetermined Objectives for FY2022/23

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 Kangundo Constituency 2023-2027 plan are to:

- a) To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.
- b) To support the creation of conducive environment that enhances peace, security, efficiency and effectiveness in public administration
- c) To empower and develop youth and special groups to reduce dependency by nurturing talents and sports
- d) To support building of capacity and capability for timely response and management of disaster risks

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

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Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.	Increased enrolment in primary schools, secondary schools and tertiary institutions. Better grades leading to improved transition to secondary schools and tertiary institutions	Increase of number of usable physical infrastructure build in primary, secondary and tertiary institutions	In FY 2022/2023 we constructed 10 new classrooms, one administration block at Mukuyuni Secondary school, renovated 30 classrooms. This increased the number of new classrooms by 12 in the following schools. <ul style="list-style-type: none"> a) Kwambalu primary school classes increased from 7 to 10 classrooms b) Kitwii Boys primary number of classrooms increased from 10 to 14 classrooms c) Kithuiani primary school number of classrooms increased from 8 to 11 classrooms d) Unyuani secondary school number of classrooms increased from 4 to 6 classrooms

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			Number of bursary beneficiaries at all levels	In FY 2022/2023 through Bursary fund, we supported 9,478 students in secondary schools, 511 students for full short course scholarship and 1,247 students in tertiary institutions and over 100 students in special schools
Security	To support the creation of conducive environment that enhances peace, security, efficiency and effectiveness in public administration	Improved security which provides conducive environment for the constituents undertake their economic activities	Increase in number of physical infrastructures supported under administration and security docket	During the year we supported construction of 3 Assistant Chief's offices (Kivi, Kawauni & Ngumuti). The NGCDF Kangundo is constructing staff houses for Kakuyuni Police station. Also, three Assistant County Commissioners office (Kangundo, Kivaani and Kakuyuni Assistant County Commissioners) constructed comprising of chief's and assistant chief's offices. The number of assistant chief's offices has increased from 11 to 15 during the financial year.

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Sports	To empower and develop youth and special groups to reduce dependency by nurturing talents and sports	Nurture talents and support youths in the area	Number of teams which benefitted from sports equipment and uniform	During the year we supported youths in which constituency tournaments were organized. 47 teams received balls and uniforms. Also, the winning teams were awarded trophies.
Emergency	To support building of capacity and capability for timely response and management of disaster risks	Better built projects with a greater impact	Number of projects and programs undertaken to support any emergency occurrence	Kwakathule Secondary School was supported to assist construction of 8-door pit latrine to completion since the institution's latrines had sunk due to heavy rains.

V. Statement of Governance

Background

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) and its regulations, provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- i. One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- ii. Officer of the Board seconded to the constituency who is to be the secretary of the selection panel
- iii. Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Process

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency.

Out of the total 13 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Kangundo Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	John Kituku Nzuki	Male (Adult)	Kangundo Central
2.	Julius Mwangangi	Male (Youth)	Kangundo East
3.	Catherine Mary Ngila	Female (Adult)	Kangundo East
4.	Jackline Kombo	Female (Youth)	Kangundo North

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Nominee of the body representing persons with disability

S/N	Name	Nominating Organisation	Nature of physical Impairment	Ward
1.	Patrick Kilungu	Kangundo PWD SHG	Physical – Hand and feet impairment	Kangundo West

Nominee of the constituency Office

S/N	Name	Category	Occupation	Ward
1	Stephen Mutua	Male representative	Farmer	Kangundo West
2	Moureen Kanini	Female Representative	Farmer	Kangundo North

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Belita Muthike	Female	Kangundo Central

The members went through the process electing the chairperson and the secretary of the committee. The following member were elected.

1. Chairperson position -Mr. John Kituku Nzuki of ID no. 25588446
2. Secretary position – Catherine Mary Ngila of ID no. 7000285 elected as the secretary to the committee.

During its first meeting, a Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary sub committee
- ii. Complaints resolution committee.

The following were appointed to the different committee

i. Bursary committee

1. Julius Mwangangi - Member
2. Belita Muthike - Member
3. Moureen Kanini - Member

ii. Complaints resolution committee

1. Stephen Mutua - Member
2. Jackline Kombo - Member
3. Patrick Kilungu - Member

The chairman and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

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Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Kangundo the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kangundo.

Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. During the financial year 2022/2023 the NGCDFC Kangundo held sixteen meetings and two sub committee meetings.

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues

1. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.

ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.

iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Kangundo adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Kangundo contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Kangundo has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with

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NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kangundo 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; NG-CDF 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.

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- 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 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

NGCDF Kangundo is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organisation has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices.

3. Employee welfare

We invest in providing the best working environment for our employees. Kangundo Constituency recruitment is guided by Employment Act, NG-CDF 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. Kangundo 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

Kangundo NG-CDF 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 are 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.

NG-CDF 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

Kangundo NG-CDF 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.

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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.

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



Wesley Kibet Ng'eno
Fund Account Manager



VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NG-CDF-Kangundo Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NG-CDF Kangundo Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NG-CDF Kangundo 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 NG-CDF Kangundo Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants, 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

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form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NG-CDF Kangundo Constituency financial statements were approved and signed by the Accounting Officer on 25/3 2024.



.....
Name: John Kituku Nzuki
Chairman – NG-CDF Committee



.....
Name: Wesley Kibet Ng'eno
Fund Account Manager



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kangundo Constituency set out on pages 1 to 53, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies

*Report of the Auditor-General on National Government Constituencies Development Fund - Kangundo Constituency
for the year ended 30 June, 2023*

and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kangundo Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unconfirmed Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 11A to the financial statements reflects cash and cash equivalents balance of Kshs.42,436,969. The balance includes unrepresented cheques totalling Kshs.1,897,316, out of which cheques amounting to Kshs.308,400 were stale and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.42,436,969 could not be confirmed.

2. Unsupported Project Management Committee Balances

Note 18.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) account balances of Kshs.13,292,364. However, the cash book, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.13,292,364 could not be confirmed.

3. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.53,386,310 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.27,504,810, Kshs.15,494,500 and Kshs.144,000 disbursed to secondary schools, tertiary institutions and special schools respectively. However, acknowledgement letters from beneficiary institutions were not provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.43,143,300 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 - Kangundo Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects a receipt budget and actual amounts on comparable basis of Kshs.180,311,217 and Kshs.129,096,184 respectively, resulting in an underfunding of Kshs.51,215,033 or 28% of the budget. However, the Fund spent Kshs.86,659,215 against actual receipt of Kshs.129,096,184 resulting to under-utilization of Kshs.42,436,969 or 33% of the actual receipts.

The underfunding and underutilization affected the planned activities and programmes and negatively impacted on effective service delivery to the public.

2. Long Outstanding Staff Payables

Note 18.2 to the financial statements reflects pending staff payables balance of Kshs.643,585. Review of expenditure records revealed that the staff payables had been outstanding for more than one year. Management did not provide explanation for the failure to settle the long outstanding staff obligations and measures being taken to address the same.

In the circumstances, the delay in payment of staff may affect staff morale and effective service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Report on the Utilization of Emergency Reserve

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects an amount of Kshs.53,386,310 in respect of other grants and transfers. Included in this balance is an amount of Kshs.1,000,000 for emergency projects. However, there was no evidence that the Fund reported the emergency expenditure to the Board as required by Regulations 20(2) of the National Government Constituencies Development Fund Regulations, 2016. Further, the implementation status of emergency projects were not provided and therefore their status could not be confirmed.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Delay in Completion of Projects

Review of the project implementation status report revealed that a total of Kshs.80,260,135 was allocated for implementation of seventeen (17) projects, out of which an amount of Kshs.7,636,190 was allocated to emergency reserves,

Kshs.2,000,000 for strategic plan, Kshs.34,803,394 for seven (7) primary schools projects, Kshs.24,399,000 for three (3) secondary schools projects, Kshs.2,764,301 for two (2) sports projects and Kshs.8,717,250 for two (2) security projects. Further, the report indicated that all the thirty-one (31) projects were not completed. Management explained that the projects were not implemented due to delays in disbursement of funds.

In the circumstances, the public did not obtain benefits which would have accrued from the implementation of these projects.

2. Poor Workmanship in Projects Implementation

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfers to other Government units amount of Kshs.18,420,646 which includes an amount of Kshs.11,541,676 and Kshs.6,878,970 transferred to primary and secondary schools respectively. Further, the statement as disclosed in Note 8 to the financial statements reflects other grants and transfers of Kshs.53,386,310 which includes security projects of Kshs.8,900,000. Physical inspections of the projects conducted on 08 and 09 March, 2024 revealed poor workmanship in seven (7) projects in primary and secondary schools amounting to Kshs.8,806,676 and two (2) security projects amounting to Kshs.5,900,000.

In the circumstances, value for money may not have been realized on the seven (7) projects amounting to Kshs.14,706,676.

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 applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 June, 2024

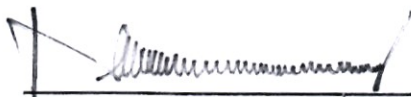
*Kangundo Constituency
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IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	99,500,000	169,677,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	7,000	-
Total Receipts		99,507,000	169,677,758
Payments			
Compensation Of Employees	4	5,221,734	3,381,300
Committee expenses	5	5,042,200	4,419,600
Use Of Goods and Services	6	4,144,324	2,427,594
Transfers To Other Government Units	7	18,420,646	80,601,425
Other Grants and Transfers	8	53,386,310	68,136,910
Acquisition Of Assets	9	-	19,895
Other Payments	10	444,000	-
Total Payments		86,659,215	158,986,724
Surplus/(Deficit)		12,847,785	10,691,034

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 25/3 2024 and signed by:



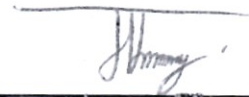
Fund Account Manager

Name: Wesley Kibel Ng'andu



National Sub-County Accountant

Name: Everline O. Omung'ala



Chairman NG-CDF Committee

Name: John Kibuku Njiru



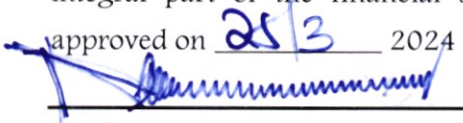
ICPAK M/No: 6987

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X.Statement of Assets and Liabilities as at 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	42,436,969	29,589,182
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		42,436,969	29,589,182
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		42,436,969	29,589,182
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13A	-	-
Gratuity	13B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		42,436,969	29,589,182
Represented By			
Fund Balance B/Fwd.	14	29,589,182	18,898,148
Prior Year Adjustments	15	1	-
Surplus/Deficit for The Year		12,847,785	10,691,034
Net Financial Position		42,436,969	29,589,182

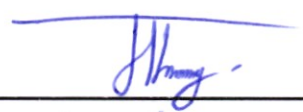
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved on 25/3 2024 and signed by:



Fund Account Manager
Name: Wesley Kibet Ng'eno



National Sub-County Accountant
Name: Everline O. Omung'ala



Chairman NG-CDF Committee
Name: John Kituku Nzuki

ICPAK M/No: 6987



Kangundo Constituency

National Government Constituencies Development Fund (NG-CDF)

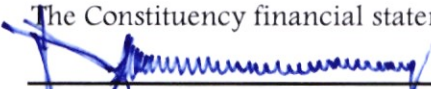
Annual Report and Financial Statements for The Year Ended June 30, 2023

XI.Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022 - 2023	2021 - 2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NG-CDF Board	1	99,500,000	169,677,758
Other Receipts	3	7,000	-
Total Receipts		99,507,000	169,677,758
Payments			
Compensation Of Employees	4	5,221,734	3,381,300
Committee Expenses	5	5,042,200	4,419,600
Use Of Goods and Services	6	4,144,324	2,427,594
Transfers To Other Government Units	7	18,420,646	80,601,425
Other Grants and Transfers	8	53,386,310	68,136,910
Other Payments	10	444,000	-
Total Payments		86,659,215	158,966,829
Total Receipts Less Total Payments			
Prior Year Adjustments	15	1	-
Decrease/(Increase) In Accounts Receivable	16	-	-
Increase/(Decrease) In Accounts Payable	17	-	-
Net Cash Flow from Operating Activities		12,847,786	12,362,940
Cash flow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(19,895)
Net Cash Flows from Investing Activities		-	(19,895)
Net Increase In Cash And Cash Equivalent		12,847,786	10,691,034
Cash & Cash Equivalent at Start of The Year 2022	11	29,589,182	18,898,148
Cash & Cash Equivalent at End of The Year 2023	11	42,436,969	29,589,182

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 21/3 2024 and signed by:


Fund Account Manager

Name: Wesley Kibet Ng'eno


National Sub-County Accountant

Name: Everline O. Omung'ala


Chairman NG-CDF Committee

Name: John Kituku Nzuki

ICPAK M/No: 6987



*Kangundo Constituency
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XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	138,215,033	29,589,184	12,500,000	180,304,217	129,089,184	51,215,033	72%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts (AIA)		7,000	-	7,000	7,000	-	100%
TOTAL RECEIPTS	138,215,033	29,596,184	12,500,000	180,311,217	129,096,184	51,215,033	72%
PAYMENTS							
Compensation of Employees	4,097,098	2,836,064	18,900	6,952,062	5,221,734	1,730,328	75%
Committee Expenses	3,274,451	1,762,709	1,736,941	6,774,100	5,042,200	1,731,900	74%
Use of goods and services	4,183,349	2,713,682	327,554	7,224,584	4,144,324	3,080,260	57%
Transfers to Other Government Units	59,142,394	10,808,331	8,581,677	78,532,402	18,420,646	60,111,756	23%
Other grants and transfers	64,117,741	9,860,774	1,492,207	75,470,722	53,386,310	22,084,412	71%
Acquisition of Assets	-	-	-	-	-	-	
Other Payments	3,400,000	1,425,238	-	4,825,238	444,000	4,381,238	9%
Funds pending Approval		189,386	342,722	532,108	-	532,108	0%
TOTAL	138,215,033	29,596,184	12,500,000	180,311,217	86,659,215	93,652,002	48%

***Kangundo Constituency
National Government Constituencies Development Fund (NG-CDF)
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Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.

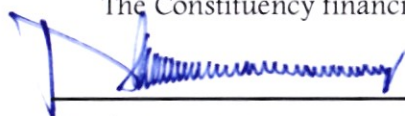
Explanatory Notes.

- a) The utilization rate for compensation of employees was 75%. This was due to the funds which were not disbursed to the constituency at 30th June, 2023.
- b) Committee expenses had a utilization rate of 74%. This was due to the funds received almost at the end of financial year and funds not yet disbursed from the board at the end of financial year 2022/2023. Comparing the actual expenditure against final budget, the use of goods and services was at the utilization rate of 57%. This was due to funds not yet received from the board at the end of financial year.
- c) Transfer to other government units was at the rate of 23% due to funds not yet received from the board.
- d) Other grants and transfers utilization rate was 71%. This was due to the funds not yet received from the board as at the end of financial year.
- e) Other payments were at 9%. Specifically, the Kshs. 444, 000 was used for Oversight committee expenses which formed 9% utilization rate in other payments.
- f) The utilization rate of funds compared to the final budget stands at 48% because of funds received late from the board and because of the funds not yet received from the board. Specifically, Kshs.30,000,000 which forms 22% were received late almost at close of financial year and Kshs 51,215,033 which forms 37% of the budget is yet to be received from the board as at the close of financial year 2022/2023. However, we look at the utilization of actual funds available for use within the financial year that stands at 67%.

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	93,652,002
Less undisbursed funds receivable from the Board as at 30 th June 2023	51,215,033
	42,436,969
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2022/2023	42,436,969

The Constituency financial statements were approved on 26/3 2024 and signed by:



Fund Account Manager
Name: Wesley Kibet Ng'eno



National Sub-County Accountant
Name: Everline O. Omung'ala
ICPAK M/No: 6987



Chairman NG-CDF Committee
Name: John Kituku Nzuki



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XIII. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022/2023	Opening Balance (C/Blk) and AIA	Previous years Outstanding Disbursements	2022/2023	30/06/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees							
1.1.1 Contractual Employees	2,164,870	1,597,210	-	3,762,080	2,897,214	864,866	77%
1.1.2 Gratuity-Contractual Employees	805,332	1,107,279		1,912,611	1,610,359	302,251	84%
1.1.3 Employees on Internship Programme	240,000	-	-	240,000	-	240,000	0%
1.1.4 House Allowance	351,000	-	-	351,000	243,680	107,320	69%
1.1.5 Transport Allowance	310,000	-	-	310,000	213,133	96,867	69%
1.1.6 Leave Allowance	50,000	-	-	50,000	-	50,000	0%
1.1.7 Medical Insurance (NHIF)	85,176	38,360	18,900	142,436	103,550	38,886	73%
1.1.8 NSSF	90,720	93,215	-	183,935	153,798	30,137	84%
Sub-Total	4,097,098	2,836,064	18,900	6,952,062	5,221,734	1,730,328	75%
1.2 Committee allowances							
1.2.1 Other Committee Expenses	602,000	-	-	602,000	150,000	452,000	25%
1.2.2 NGCDFC Allowance.	1,128,000	337,221	269,055	1,734,277	1,239,700	494,577	71%
Sub-Total	1,730,000	337,221	269,055	2,336,277	1,389,700	946,577	59%
1.3 Use of goods and services							
1.3.1 Electricity charges	60,000	24,000	-	84,000	74,795	9,205	89%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023	30/06/2023		
1.3.2 Water & Sewerage Charges	48,000	47,817	-	95,817	84,387	11,430	88%
1.3.3 Telephone, Telex, Facsimile and Mobile Phone Service	54,000	12,960	20,150	87,110	59,400	27,710	68%
1.3.4 Internet Connections	50,000	76,747	-	126,747	92,947	33,800	73%
1.3.5 Courier and Postal Services	15,000	15,000	-	30,000	14,730	15,270	49%
1.3.6 Travel Costs	100,000	24,599	80,095	204,694	104,694	100,000	51%
1.3.7 Accommodation - Domestic Travel	40,000	-	-	40,000	-	40,000	0%
1.3.8 Daily Subsistence Allowance	100,000	11,978	-	111,978	11,978	100,000	11%
1.3.9 Catering Services	160,000	25,034	14,800	199,834	147,040	52,794	74%
1.3.10 Motor Vehicle Insurance	300,000	10,000	-	310,000	15,000	295,000	5%
1.3.11 General Office Supplies	230,000	90,435	-	320,435	261,968	58,467	82%
1.3.12 Supplies and Accessories for Computers and Printers	385,000	286,450	20,509	691,959	580,500	111,459	84%
1.3.13 Sanitary and Cleaning Materials	150,000	74,975	35,000	259,975	216,922	43,053	83%
1.3.14 Refined Fuels and Lubricants	100,000	151,136	33,900	285,036	285,036	-	100%
1.3.15 Other Fuels	25,000	9,350	-	34,350	14,750	19,600	43%
1.3.16 Bank Service Commission and Charges	25,000	2,782	23,100	50,882	6,500	44,382	13%
1.3.17 Maintenance Expenses - Motor Vehicles	246,724	32,933	-	279,657	146,833	132,824	53%
Sub-Totals	2,088,724	896,196	227,554	3,212,474	2,117,479	1,094,994	66%
Totals	7,915,822	4,069,482	515,509	12,500,813	8,728,914	3,771,899	70%
2.0 Monitoring and evaluation							

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (t=d/c %)
	2022/2023	Opening Balance (C/Blk) and AIA	Previous years Outstanding Disbursements	2022/2023	30/06/2023		
2.1 Capacity building							
2.1.1 Travel Allowance	220,000	1,600,500	-	1,820,500	1,600,500	220,000	88%
2.1.2 Remuneration of Instructors and Contract Based Training Services	150,000	44,000	-	194,000	44,000	150,000	23%
2.1.3 Hire of Training Facilities and Equipment	280,000	60,400	-	340,400	26,816	313,584	8%
2.1.4 Accommodation Allowance	500,000	-	-	500,000	-	500,000	0%
2.2 Committee allowances							
2.2.1 Other Committee Expenses	416,451	-	-	416,451	171,000	245,451	41%
2.2.2 NGCDFC Allowance	1,128,000	1,425,487	1,467,885	4,021,373	3,113,500	907,873	77%
2.3 Use of goods and services				-		-	
2.3.1 Telephone, Telex, Facsimile and Mobile Phone Service	20,000	-	-	20,000	-	20,000	0%
2.3.2 Internet connections	-	73,627	-	73,627	35,010	38,617	48%
2.3.3 Catering Services	64,625	-	-	64,625	-	64,625	0%
2.3.4 General Office Supplies	100,000	-	-	100,000	39,560	60,440	40%
2.3.5 Supplies and Accessories for Computers and Printers	160,000	-	-	160,000	160,000	-	100%
2.3.6 Refined Fuels and Lubricants for Transport	450,000	38,958	100,000	588,958	338,958	250,000	58%
2.3.7 Maintenance Expenses- Motor Vehicles	150,000	-	-	150,000	150,000	-	100%
Total	3,639,076	3,242,973	1,567,885	8,449,934	5,679,345	2,770,589	67%
3.0 Emergency							

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023	30/06/2023		
Emergency Projects	6,636,190	-	1,392,207	8,028,397		8,028,397	0%
3.1 Secondary schools							
Kwakathule secondary school	1,000,000	-	-	1,000,000	1,000,000	-	100%
Total	7,636,190	-	1,392,207	9,028,397	1,000,000	8,028,397	11%
4.0 Bursary and Social Security							
4.1 Secondary Schools	28,300,000	709,163		29,009,163	27,504,810	1,504,353	95%
4.2 Tertiary Institutions	16,400,000	8,611	-	16,408,611	15,494,500	914,111	94%
4.3 Special Schools	300,000	-	-	300,000	144,000	156,000	48%
Total	45,000,000	717,774	-	45,717,774	43,143,310	2,574,464	94%
5.0 Sports							
5.1 Sports.	2,264,301	-	-	2,264,301	-	2,264,301	0%
5.2 Regional Sports Tournament	500,000	-	-	500,000	-	500,000	0%
Total	2,764,301	-	-	2,764,301	-	2,764,301	0%
6.0 Environment							
6.1 Mukunike secondary school		343,000	-	343,000	343,000	-	100%
Total	-	343,000	-	343,000	343,000	-	100%
7.0 Primary Schools Projects							
7.1 Kwambalu Primary School	4,800,000	-	-	4,800,000	-	4,800,000	0%
7.2 Kitwii Girls Primary School	5,561,310	-	-	5,561,310	-	5,561,310	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (c = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022/2023			2022/2023	30/06/2023		
7.3 Kitwii boys Primary School	5,635,000	-	-	5,635,000	-	5,635,000	0%
7.4 Kikondeni Primary School	4,572,887	-	-	4,572,887	-	4,572,887	0%
7.5 Kithuani Primary School	4,200,000	-	-	4,200,000	-	4,200,000	0%
7.6 Manyatta Primary School	5,461,310	-	-	5,461,310	-	5,461,310	0%
7.7 Kawethei SA Primary School	4,572,887	-	-	4,572,887	-	4,572,887	0%
7.8 Kawauni primary school			1,625,000	1,625,000	1,625,000	-	100%
7.9 Malatani primary school			1,000,000	1,000,000	1,000,000	-	100%
7.10 Syanthe primary school			2,156,676	2,156,676	2,156,676	-	100%
7.11 Kakuyuni primary school			1,400,000	1,400,000	1,400,000	-	100%
7.12 Matungulu AIC primary school		1,100,000	-	1,100,000	1,100,000	-	100%
7.13 Kyaaka primary school		1,650,000	-	1,650,000	1,650,000	-	100%
7.14 Kawethei HGM Primary School		1,650,000	-	1,650,000	1,650,000	-	100%
7.15 Mbusyani primary school		431,430	-	431,430	-	431,430	0%
7.16 Ituusya primary school		537,931	-	537,931	-	537,931	0%
7.17 Malatani primary school		480,000	-	480,000	480,000	-	100%
7.18 Matithini primary school		480,000	-	480,000	480,000	-	100%
Total	34,803,394	6,329,361	6,181,676	47,314,432	11,541,676	35,772,755	24%
8.0 Secondary Schools Projects							
8.1 Mukuyuni Secondary School	4,739,000	128,970	-	4,867,970	128,970	4,739,000	3%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023	30/06/2023		
8.2 ABC Katithyamaa Secondary School	9,800,000	-	-	9,800,000	-	9,800,000	0%
8.3 Mulingana Secondary School	9,800,000	-	-	9,800,000	-	9,800,000	0%
8.4 Unyuani secondary school		-	2,400,000	2,400,000	2,400,000	-	100%
8.5 Kawethei Girls secondary school		1,950,000	-	1,950,000	1,950,000	-	100%
8.6 Kangundo DEB secondary school		2,400,000	-	2,400,000	2,400,000	-	100%
Total	24,339,000	4,478,970	2,400,000	31,217,970	6,878,970	24,339,000	22%
9.0 Tertiary institutions Projects							
Total	-	-	-	-	-	-	-
10.0 Security Projects							
10.1 Kakuyuni Assistant County Commissioner	4,358,625			4,358,625		4,358,625	0%
10.2 Kivaani Assistant County Commissioner	4,358,625			4,358,625		4,358,625	0%
10.3 Kangundo Assistant County Commissioner			100,000	100,000	100,000	-	100%
10.4 Ngumuti Assistant chief office		900,000		900,000	900,000	-	100%
10.5 Kawauni Assistant chief office		300,000		300,000	300,000	-	100%
10.6 Kivi Assistant chief office		300,000		300,000	300,000	-	100%
10.7 Kakuyuni police station		4,300,000		4,300,000	4,300,000	-	100%
10.8 Kawauni Assistant chief office		1,600,000		1,600,000	1,600,000	-	100%
10.9 Kivi Assistant chief office		1,400,000		1,400,000	1,400,000	-	100%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023	30/06/2023		
Total	8,717,250	8,800,000	100,000	17,617,250	8,900,000	8,717,250	51%
11.0 Acquisition of assets							
Total	-	-	-	-	-	-	
12.0 Other payments							
12.1 Kangundo NG-CDF Strategic Plan	2,000,000			2,000,000	-	2,000,000	0%
12.2 Balance from Previous Years	-	1,398,425	-	1,398,425	-	1,398,425	0%
12.3 Health balances	-	25,864	-	25,864	-	25,864	0%
12.4 Mocks & CATS	-	950	-	950	-	950	0%
Sub-Total	2,000,000	1,425,238	-	3,425,238	-	3,425,238	0%
12.5 Oversight Committee Expenses (itemize)							
12.5.1 Committee allowances	600,000	-	-	600,000	320,000	280,000	53%
12.5.2 Accommodation - Domestic Travel	130,000	-	-	130,000	-	130,000	0%
12.5.3 Travel Allowances-Domestic.	200,000	-	-	200,000	40,000	160,000	20%
12.5.4 Daily Subsistence Allowance	120,000	-	-	120,000	-	120,000	0%
12.5.5 Publishing and Printing Services	30,000	-	-	30,000	-	30,000	0%
12.5.6 Advertising, Awareness and Publicity Campaigns	160,000	-	-	160,000	60,000	100,000	38%
12.5.7 Telephone, Telex, Facsimile and Mobile Phone Service	60,000	-	-	60,000	24,000	36,000	40%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023	30/06/2023		
12.5.8 Refined Fuels and Lubricants for Transport	100,000	-	-	100,000	-	100,000	0%
Sub-Total	1,400,000	-	-	1,400,000	444,000	956,000	32%
Total	3,400,000	1,425,238		4,825,238	444,000	4,381,238	9%
13.0 Unallocated fund							
Unapproved projects			342,722	342,722		342,722	0%
AIA		189,386		189,386	-	189,386	0%
PMC savings	-	-	-	-	-	-	-
Total		189,386	342,722	532,108	-	532,108	0%
Grand Total	138,215,033	29,596,184	12,500,000	180,311,217	86,659,215	93,652,002	48%

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Significant Accounting Policies continued

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.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period.

This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes to the Financial Statements

1. Transfers from NG-CDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
A895098	12,500,000	
B185087	7,000,000	
B185624	15,000,000	
B185506	6,000,000	
B206121	5,000,000	
B206375	12,000,000	
B205759	12,000,000	
B207521	15,000,000	
B207883	15,000,000	
B140917		33,000,000
B 105453		44,000,000
B 105792		22,000,000
B128529		5,000,000
B154038		12,000,000
B128841		12,000,000
B164480		19,000,000
B155837		10,588,879
B155955		12,088,879
TOTAL	99,500,000	169,677,758

2. Proceeds From Sale of Assets

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

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3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	7,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	7,000	-

4. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,627,711	2,529,480
Personal allowances paid as part of salary	29,700	-
House Allowance	407,180	369,300
Transport Allowance	358,133	341,000
Leave allowance	99,011	50,800
Gratuity to contractual employees	1,610,359	-
Employer Contributions Compulsory national social security schemes	89,640	90,720
Total	5,221,734	3,381,300

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,009,000	2,206,600
Other committee expenses	4,033,200	2,213,000
Total	5,042,200	4,419,600

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6. Use of Goods and Services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities supplies and services		
Electricity	74,795	60,000
Water & sewerage charges	84,387	30,033
Communication, supplies and services	633,247	32,860
Domestic travel and subsistence	108,400	18,022
Printing, advertising and information supplies & services	-	290,000
Rentals of produced assets	-	-
Training expenses	1,311,588	899,600
Hospitality supplies and services	-	102,296
Insurance costs	15,000	-
Bank service commission and charges	6,500	14,580
Fuel, oil & lubricants	623,994	304,964
Office and general supplies and services	974,830	479,079
Other operating expenses	14,750	-
Routine maintenance – vehicles and other transport equipment	296,833	196,160
Routine maintenance – other assets	-	-
Total	4,144,324	2,427,594

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	11,541,676	70,101,425
Transfers To Secondary Schools (See Attached List)	6,878,970	10,500,000
Transfers To Tertiary Institutions	-	-
Total	18,420,646	80,601,425

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8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – Secondary Schools (see attached list)	27,504,810	29,980,000
Bursary – Tertiary Institutions (see attached list)	15,494,500	13,994,800
Bursary – Special Schools (see attached list)	144,000	-
Mock & CAT	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	8,900,000	3,450,000
Sports Projects (see attached list)	-	5,484,215
Environment Projects (see attached list)	343,000	4,798,688
Emergency Projects (see attached list)	1,000,000	10,429,207
Roads projects	-	-
Total	53,386,310	68,136,910

9. Acquisition of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	19,895
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	19,895

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10. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Constituency Oversight Committee	444,000	-
Total	444,000	-

11: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, Tala Branch</i> <i>Kangundo NG-CDF Account No. 0900297884246</i>	42,436,969	29,589,182
Total	42,436,969	29,589,182
11 B: Cash on Hand		
Location 1	-	-
Total	-	-

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12: Outstanding Imprests

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

13. Retention and Gratuity

13A. Retention	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

13B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30th June D= A+B-C	-	-

14. Fund Balance Brought Forward

	2022-2023 (1st July 2022)	2021-2022 (1st July 2021)
	Kshs	Kshs
Bank accounts	29,589,184	18,898,148
Cash in hand	-	-
Imprest	-	-
Total	29,589,184	18,898,148
<i>Less</i>		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	29,589,184	18,898,148

15. Prior Year Adjustments

	Balance b/f FY 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance b/f FY 2022/2023
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	29,589,182	1	29,589,184
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (Specify)	-	-	-
Total	29,589,182	1	29,589,184

The cashbook balance of Kshs. 29,589,182.35 (29,589,182) was adjusted by Kshs.1.40 to balance brought forward for Financial Year 2022/2023 of Kshs. 29,589,183.75 (29,589,184). The Kshs.1.40 was as a result of reversed income tax PAYE cheques in the cashbook since the KRA filing system didn't recognize the cents in various cheques. Specifically, Income Tax PAYE cheque amounting; i) Kshs.3,465.20 was replaced by a cheque of Kshs. 3,465 ii) Kshs. 1,038.20 was replaced by a cheque of Kshs. 1,038 iii) Kshs. 11,675.19 was replaced by a cheque of Kshs.11,675 iv) Kshs. 1,854.10 was replaced by a cheque of Kshs.1,854 v) Kshs.20,363.71 was replaced by a cheque of Kshs. 20,363.

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16. Changes in Accounts Receivable – Outstanding Imprests

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

17. Changes in Accounts Payable – Deposits and Retentions

	2022-2023	2021- 2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-A	-	-

18. Other Important Disclosures

18.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

18.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Staff	643,585	1,652,011
Others (<i>specify</i>)	-	-
Total	643,585	1,652,011

18.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,730,328	2,854,964
Committee Expenses	1,731,900	3,495,561
Use of goods and services	3,080,260	3,041,235
Amounts due to other Government entities (see attached list)	60,111,756	17,994,345
Amounts due to other grants and other transfers (see attached list)	22,084,412	13,096,184
Acquisition of assets	-	-
Others (Specify)	4,381,238	1,424,508
Funds pending approval	532,108	182,385
Total	93,652,002	42,089,182

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18.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	13,292,364	29,800,192
Total	13,292,364	29,800,192

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XVI. Annexes

Annexe 1: Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount To-Date	Paid	Outstanding Balance 2023	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	-	-	-		-	

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance		Comments
			30 th 2023	June	
NG-CDFC Staff					
1. Damaris Maluki Mutwa	Admin Assistant	1 st December, 2021	141,922		Pending Payment of staff gratuity as at 30 th June, 2023 due to late disbursement of funds by board
2. Newton Mutembei Mwiti	Records Officer	1 st July, 2022	137,900		Pending Payment of staff gratuity as at 30 th June, 2023 due to late disbursement of funds by board
3. Matthew Mutinda Musui	Security officer	1 st December, 2021	98,200		Pending Payment of staff gratuity as at 30 th June, 2023 due to late disbursement of funds by board
4. Ann Mumbua Kitali	Office custodian	1 st December, 2021	98,200		Pending Payment of staff gratuity as at 30 th June, 2023 due to late disbursement of funds by board
5. Dennis Munyao Mutisya	Accounts Assistant	1 st August, 2022	121,396		Pending Payment of staff gratuity as at 30 th June, 2023 due to late disbursement of funds by board
6. Daniel Mbinda Mutuku	Clerk of Works	1 st March, 2023	45,967		Pending Payment of staff gratuity as at 30 th June, 2023 due to late disbursement of funds by board
Grand Total			643,585		

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Compensation of employees				
Contractual Employees	Payment of salaries to seven NG-CDF staff	864,866	1,597,210	The balance was due to funds received lately and almost at close of financial year from the board. The management expected to receive funds on time to increase employees' salaries and employ new staff. This was not achieved since funds were not received on time from board.
Gratuity-Contractual Employees	Payment of gratuity to seven NG-CDF staff	302,251	1,107,279	The balance was due to funds received lately and almost at close of financial year from the board. Some of the employees' contracts were still on due at close of financial year.
Employees on Internship Programme	Payment of staff Basic Wages of two employees	240,000	-	The funds were received lately from board and balanced not disbursed from board as at close of financial year.
House Allowance	Payment of House allowances to seven NG-CDF staff	107,320	-	The balance was due to funds received lately and almost at close of financial year from the board. The management expected to receive funds on time to increase employees' house allowance and employ new staff. This was not achieved since funds were not received on time from board.
Transport Allowance	Payment of Transport allowances to seven NG-CDF staff	96,867	-	The balance was due to funds received lately and almost at close of financial year from the board. The management expected to receive funds on time to increase employees' transport allowance and employ new staff. This was not achieved since funds were not received on time from board

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Leave Allowance	Payment of Leave allowances to NG-CDF staff	50,000	-	The balance was due to funds received lately and almost at close of financial year from the board not yet received from board
Medical Insurance (NHIF)	Payment of Medical insurance to NG-CDFC Staff	38,886	57,260	The balance was due to funds received lately and almost at close of financial year from the board
NSSF	Employer contribution of NSSF for seven NG-CDF staffs	30,137	93,215	The balance was due to funds received lately and almost at close of financial year from the board
Sub-Total		1,730,328	2,854,964	
Use of goods & services				
1.2 Committee allowances				
Other Committee Expenses	Payment of Other committee expenses	452,000	-	The balance was due to funds received lately and almost at close of financial year and funds not yet received from board
NGCDFC Allowance.	Payment of NGCDF allowances	494,577	602,188	The balance was due to funds received lately and almost at close of financial year from the board funds not yet received from board
1.3 Use of goods and services				
Electricity charges	Payment of Electricity charges	9,205	24,000	The balance was due to funds received lately and almost at close of financial year from the board
Water & Sewerage Charges	Payment of Water and Sewerage charges	11,430	47,817	The balance was due to funds received lately and almost at close of financial year from the board
Telephone, Telex, Facsimile and Mobile Phone Service	Payment of Telephone Expenses	27,710	33,110	The balance was due to funds received lately and almost at close of financial year from the board
Internet Connections	Payment of Internet Connections expenses	33,800	76,747	The balance was due to funds received lately and almost at close of financial year from the board

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Courier and Postal Services	Payment of Courier and Postal Services	15,270	15,000	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
Travel Costs (Airlines, Bus, Railway and Mileage Allowances)	Payment of Travel Costs; Airlines, bus, railway and mileage allowance	100,000	104,694	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
Accommodation - Domestic Travel	Payment of Accommodation allowances of Domestic Travel	40,000	-	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
Daily Subsistence Allowance	Payment of Daily Subsistence allowance	100,000	11,978	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
Catering Services (Receptions, Accommodation, Gifts, Food and Drinks)	Payment of catering services: Receptions, accommodation, gifts, food and drinks	52,794	39,834	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
Motor Vehicle Insurance	Payment of Motor Vehicle Insurance.	295,000	10,000	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
General Office Supplies (Papers, Pencils, Forms, Small Office Equipment)	Purchase of General Office Supplies; papers, pencils, forms and small office equipment	58,467	90,435	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
Supplies and Accessories for Computers and Printers	Payment of Supplies and Accessories for Computers and Printers	111,459	306,959	The balance was due to funds received lately and almost at close of financial year from the board
Sanitary and Cleaning Materials, Supplies and Services	Payment of services and supplies of Sanitary and Cleaning Materials	43,053	109,975	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Refined Fuels and Lubricants for Transport	Purchase of Refined Fuels and Lubricants for Transport	-	185,036	The funds were not disbursed from the board at close of financial year
Other Fuels (wood, charcoal, cooking gas)	Payment of Other Fuels; wood, charcoal and cooking gas	19,600	32,450	The balance was due to funds received lately and almost at close of financial year and funds not yet disbursed from the board
Bank Service Commission and Charges	Payment of Bank Service Commission and charges	44,382	2,782	The balance was due to funds received lately and almost at close of financial year from the board
Maintenance Expenses - Motor Vehicles	Payment of Maintenance Motor Vehicles	132,824	32,933	The balance was due to funds received lately and almost at close of financial year from the board
2.0 Monitoring and evaluation				
2.1 Capacity building				
Travel Allowance	Payment of Travel Allowance for staff and NG-CDF Committee	220,000	1,600,500	The balance was due to funds received lately and almost at close of financial year from the board
Remuneration of instructors and Contract Based Training Services	Remuneration of Instructors and Contract Based Training Services	150,000	44,000	The balance was due to funds received lately and almost at close of financial year from the board
Hire of Training Facilities and Equipment	Payment of Hire of Training Facilities and Equipment	313,584	60,400	The balance was due to funds received lately and almost at close of financial year from the board
Accommodation Allowance	Payment of Accommodation Allowance for NG-CDF staff & NG-CDFC	500,000	-	The balance was due to funds received lately and almost at close of financial year from the board
2.2 Committee allowances				
Other Committee Expenses	Payment of Other Committee expenses	245,451	-	The balance was due to funds received lately and almost at close of financial year from the board and funds not yet disbursed from the board.

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
NGCDFC Allowance	Payment of NGCDFC allowances	907,873	2,893,373	The balance was due to funds received lately and almost at close of financial year from the board and funds not yet disbursed from the board.
2.3 Use of goods and services				
Telephone, Telex, Facsimile and Mobile Phone Service	Payment of Telephone Expenses	20,000	-	The balance was due to funds received lately and almost at close of financial year from the board
Internet connections	Payment of Internet Connections Expenses	38,617	73,627	The balance was due to funds received lately and almost at close of financial year from the board
Catering Services (Receptions), Accommodation, Gifts, Food and Drinks	Payment of Catering Services; receptions, accommodation, gifts, food and drinks	64,625	-	The balance was due to funds received lately and almost at close of financial year from the board
General Office Supplies (Papers, Pencils, Forms, Small Office Equipment)	Purchase of General Office Supplies; Papers, pencils, forms and small office equipment's	60,440	-	The balance was due to funds received lately and almost at close of financial year from the board
Refined Fuels and Lubricants for Transport	Purchase of Refined Fuels and Lubricants for Transport	250,000	138,958	The funds disbursed lately & funds not yet received from the board
Sub-Total		4,812,161	6,536,796	
Amounts due to other Government entities				
7.0 Primary Schools Projects				
Kwambalu Primary School	Construction to completion of 3 classrooms	4,800,000	-	The Funds were disbursed lately from the board.
Kitwii Girls Primary School	Renovation to completion of 6 classrooms	5,561,310	-	The Funds were disbursed lately from the board.
Kitwii boys Primary School	Construction to completion of 4 classrooms	5,635,000	-	The Funds were disbursed lately from the board.
Kikondeni Primary School	Renovation to completion of 5 classrooms	4,572,887	-	The Funds were disbursed lately from the board.
Kithuiani Primary School	Construction of 3 classrooms	4,200,000	-	The Funds were disbursed lately from the board.

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Manyatta Primary School	Renovation to completion of 6 classrooms	5,461,310	-	The Funds were not yet disbursed from the board.
Kawethei SA Primary School	Renovation to completion of 5 classrooms	4,572,887	-	The Funds were not yet disbursed from the board.
Kawauni Primary School	Renovation of 3 classrooms to completion	-	1,625,000	The Funds were not yet disbursed from the board.
Syanthi SA Primary School	Renovation of 4 classrooms to completion	-	2,156,676	The Funds were not yet disbursed from the board.
Malatani Primary School	Purchase of land	-	1,000,000	The Funds were not yet disbursed from the board.
Kakuyuni Primary School	Construction of 1 classroom to completion	-	1,400,000	The Funds were not yet disbursed from the board.
Matungulu AIC Primary school	Renovation of 2 classrooms	-	1,100,000	The funds were received lately from the board
Kyaaka primary school	Renovation to completion of 3 classrooms	-	1,650,000	The funds were received lately and awaited approval for change of activity from the board
Kawethei HGM Primary School	Renovation to completion of 3 classrooms	-	1,650,000	The funds were received lately from the board
Mbusyani primary school (Balances from previous years)	Purchase of land	431,430	431,430	Balance from previous years for purchase of land
Ituusya primary school	Balances from previous years	537,931	537,931	Balances from previous years for purchase of land
Malatani primary school	Construction of 4-door pit latrine	-	480,000	Reallocated Emergency Funds awaiting approval from the board for FY 2020/2021(Complete as at 30 th June, 2023)
Matithini primary school	Construction of 4-door pit latrine	-	480,000	Reallocated Emergency Funds awaiting approval from the board for FY 2020/2021(Complete as at 30 th June, 2023)
8.0 Secondary Schools Projects				

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Mukuyuni Secondary School	Construction of an administration block to completion.	4,739,000	128,970	The Funds were not yet disbursed from the board.
ABC Kathithyamaa Secondary School	Purchase of a 51-seater school bus	9,800,000	-	The Funds were not yet disbursed from the board.
Mulingana Secondary School	Purchase of a 51-seater school bus	9,800,000	-	The Funds were not yet disbursed from the board.
Unyuani Secondary School	Construction of 2 classrooms to completion	-	2,400,000	The Funds were not yet disbursed from the board.
Kawethei Girls Secondary School	Construction of an administration block	-	1,950,000	The Funds were not yet disbursed from the board.
Kangundo DEB secondary school	Construction of 2 classrooms to completion	-	2,400,000	The Funds were not yet disbursed from the board.
Sub-Total		60,111,755	19,390,007	
Amounts due to other grants and other transfers				
Environment				
Kangundo Police Station Chapel	Purchase and installation of water tank	-	342,722	The Funds were not yet approved by the board for change of project.
Mukunike secondary school	Purchase and installation of 10,000 litres water tank	-	343,000	Reallocated Emergency Funds awaiting approval from the board for FY 2020/2021(Complete as at 30 th June, 2023)
Sub-Total		-	685,722	
10.0 Security Projects				
Kakuyuni Assistant County Commissioner	Construction of an administration block	4,358,625	-	The Funds were not yet disbursed from the board.
Kivaani Assistant County Commissioner	Construction of an administration block	4,358,625	-	The Funds were not yet disbursed from the board.
Kangundo Assistant chief office	Purchase of office furniture	-	100,000	The Funds were disbursed lately and almost at close of financial year from the board.

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Ngumuti Assistant chief office	Completion of assistant chiefs' office started by community	-	900,000	The Funds were disbursed lately and almost at close of financial year from the board.
Kawauni Assistant chief office	Construction of 2-door pit latrine	-	300,000	The Funds were disbursed lately and almost at close of financial year from the board.
Kivi Assistant chief office	Construction of 2-door pit latrine	-	300,000	The Funds were disbursed lately and almost at close of financial year from the board.
Kakuyuni police station	Construction of staff houses	-	4,300,000	The funds were received lately, but waited for approval from board for change of activity
Kawauni ass chief office	Construction of office to completion	-	1,600,000	The Funds were disbursed lately and almost at close of financial year from the board.
Kivi Assistant chief office	Construction of office to completion	-	1,400,000	The Funds were not yet disbursed from the board.
Secondary Schools	Payments of Bursary to needy students in secondary schools	1,504,353	709,163	The funds were received lately at close of financial year, Funds not yet received from the board as at 30 th June, 2023.)
Tertiary Institutions	Payments of Bursary to needy students in tertiary institutions	914,111	8,611	The funds were received lately at close of financial year hence not utilised.
Special Schools	Payments of Bursary to needy students in special schools	156,000	-	The Funds were not yet received from the board as at 30 th June, 2023.
Sports.	Organizing constituency sports	2,264,301	3,627	The funds were received lately at close of financial year, Funds not yet received from the board as at 30 th June, 2023.
Regional Sports Tournament	Facilitate regional sports tournament	500,000	-	Funds not yet received from the board as at 30 th June, 2023.
Emergency Projects	To cater for unforeseen occurrences in the constituency	8,028,397	1,392,449	The funds awaiting approval from the board and funds not received from the board as at 30 th June.

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Sub-Total		22,084,412	11,013,850	
Acquisition of assets				
Others (Specify)				
Kangundo NG-CDF Strategic Plan.	To facilitate in preparation of Kangundo NG-CDF strategic plan for the period between 2023-2027	2,000,000	-	The funds were received almost at close of financial year hence not utilised
Balance from previous years	Balances brought forward	1,398,425	1,398,425	Balances brought forward from previous years
Strategic plan	Balances brought forward	-	220	Previous balances for strategic plan
Health balances	Balance brought forward	25,864	25,864	Previous balances from health sector.
Mocks	Secondary schools Mocks	950	950	Previous Balances for secondary school mock
Oversight Committee Expenses (itemize)				
Committee allowances	Payment of committee allowances	280,000	-	The funds were received almost at close of financial year hence not utilised
Accommodation - Domestic Travel	Payment of accommodation-domestic travel	130,000	-	The funds were received almost at close of financial year hence not utilised
Travel allowances-Domestic.	Payment of travel allowance-domestic travel	160,000	-	The funds were received almost at close of financial year hence not utilised
Daily Subsistence Allowance	Payment of Daily Subsistence Allowance	120,000	-	The funds not yet received from the board as at 30 th June, 2023
Publishing and Printing Services	Payment of Publishing and Printing Services	30,000	-	The funds were received almost at close of financial year hence not utilised
Advertising, Awareness and Publicity Campaigns	Payment of Advertising, Awareness and Publicity Campaigns	100,000	-	The funds were received almost at close of financial year hence not utilised
Telephone, Telex, Facsimile and Mobile Phone Service	Payment of telephone expenses	36,000	-	The funds were received almost at close of financial year hence not utilised
Refined Fuels and Lubricants for Transport	Purchase of Refined Fuels and Lubricants for Transport	100,000	-	The funds were received almost at close of financial year hence not utilised
Sub-Total		4,381,238	1,425,458	

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Name	Brief Transaction Description	Outstanding Balance 2022/23	Outstanding Balance 2021/2022	Comments
Funds pending approval	Purchase and installation of 10,000 litres water tank (Miu Assistant chief's office)	342,722	-	Funds awaiting approval from the board -change of activity
AIA	Sale of tenders	189,386	182,385	Un approved AIA
PMC savings		-	-	
Sub-Total		532,108	182,385	
Grand Total		93,652,002	42,089,182	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year 2022/2023 (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/23
Land				
Buildings and structures	15,780,592	-	-	15,780,592
Transport equipment	3,213,500	-	-	3,213,500
Office equipment, furniture and fittings	1,713,852	-	-	1,713,852
ICT Equipment, Software and Other ICT Assets	1,364,057	-	-	1,364,057
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	22,072,001	-	-	22,072,001

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Annex 5 –PMC Bank Balances as at 30th June 2023

No.	PMC	Bank	Account Number	Date Opened	A/C	Bank Balance 2022/23	Bank Balance 2021/22
1	Kathithyamaa Primary School	Equity	0900277303692	29/5/2018		200	11,347
2	Kavilinguni Primary School	Equity	0900277303973	11/11/2021		127,595	2,067,995
3	Kithunthi Primary School	Equity	0900297580630	14/06/2018		574	111,574
4	Kyevaluki Primary School	Equity	0900268233642	25/05/2018		321	201,181
5	Kiomo Primary School	Equity	0900277310632	13/11/2021		390,928	418,331
6	Kathome Primary School	Equity	0900277310670	16/11/2021		15,941	210,887
7	Kawethei SA Primary School	Equity	0900295300875	24/05/2018		592	54,272
8	Kawethei HGM Primary School	Equity	0900299359843	17/03/2022		5,484	638
9	Kyelendu Primary School	Equity	0900294420309	07/09/2021		281	6,861
10	IIA Itune Primary School	Equity	0900277303997	5/8/2021		101	283,900
11	Kikambuani Primary School	Equity	0900297697149	22/07/2020		265	36,945
12	Mukuyuni Primary School	Equity	0900277304009	25/02/2022		891,609	2,031,895
13	Kitwii Boys Primary School	Equity	0900299279199	16/06/2021		171	128,470
14	Syanthi S.A Primary School	Equity	0900272853889	16/05/2017		106,774	32,100
15	Kwamwilile Primary School	Equity	0900266698147	24/09/2020		15,267	236,007
16	Mususye Primary School	Equity	0900267232186	16/10/2021		118,769	664,802

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No.	PMC	Bank	Account Number	Date Opened	A/C	Bank Balance 2022/23	Bank Balance 2021/22
17	Kivuluni Primary School	Equity	0900263653648	22/01/2015		2,315	2,315
18	Miu ABC Primary School	Equity	0900277310601	3/11/2021		4,998	112,186
19	Kamutonga DEB Primary School	Equity	0900269921856	26/05/2021		160	44,015
20	Kangundo AIC Primary School	Equity	0900277310478	1/6/2021		89	18,109
21	Matetani A.I.C Primary School	Equity	0900263537552	6/8/2021		6,317	6,317
22	Mbusyani Primary School	Equity	0900269800105	5/2/2019		80	243,730
23	Kamanzi SA Primary School	Equity	0900273283926	25/02/2022		101	342,371
24	Mbilini Primary School	Equity	0900277503809	12/8/2018		1,610	1,610
25	Ngulini A.I.C primary School	Equity	0900262211462	6/8/2021		880	91,365
26	Kitwii Girls Primary School	Equity	0900299286970	1/7/2021		99	4,979
27	Kikondeni Primary School	Equity	0900263717079	18/04/2022		180	1,598,425
28	Kawauni Primary School	Equity	0900294342635	12/8/2018		1,096,172	1,487
29	Kambai Primary school	Equity	0900294450124	6/1/2021		2,040	2,040
30	Kinyungu Primary School	Equity	0900297182276	24/05/2021		2,941	64,400
31	Manyatta Primary school	Equity	0900269806773	19/05/2022		86	118,864
32	Malatani Primary school	Equity	0900294436546	17/10/2019		47,827	478,990
33	Kilindiloni Primary School	Equity	0900272807246	16/12/2021		459,174	1,608,171
34	Kakutha Primary School	Equity	0900272807364	9/7/2021		2,956	96,857
35	Mukunike A.I.C Primary School	Equity	0900266653710	28/07/2021		1,599	82,947

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No.	PMC	Bank	Account Number	Date Opened	A/C	Bank Balance 2022/23	Bank Balance 2021/22
36	Kivi DEB Primary School	Equity	0900272853918	11/8/2021		154	1,261,281
37	Kanzalu Hill Primary School	Equity	0900272853550	2/8/2021		276	94,809
38	Kithini D.E.B Primary school	Equity	0900262741677	20/05/2022		(56)	15,637
39	ABC Katatha Maweu Primary School	Equity	0900268364134	27/05/2020		1,923	47,043
40	Kwamwenze Primary School	Equity	0900272806414	3/11/2021		2,224	196,210
41	Kanzokea H.G.M Primary School	Equity	0900279002200	16/06/2021		263	70,435
42	Kangundo DEB Primary School	Equity	0900279025860	26/01/2021		15,238	32,103
43	Mikoikoni primary School	Equity	0900272853615	28/07/2021		180	17,305
44	Kwambalu Primary School	Equity	0900262296794	1/10/2021		259	152,704
45	Kyai Primary School	Equity	0900268836538	3/6/2021		106	16,686
46	Mbondoni Primary School	Equity	0900265704791	2/11/2021		66	247,727
47	Kivaani Township Primary	Equity	0900263766583	5/3/2019		201	6,761
48	Matungulu A.I.C Primary School	Equity	0900297633783	6/7/2022		159	5,198
49	St. Francis Misyani Primary School	Equity	0900277247615	26/01/2021		1,215	22,960
50	Kamwanyani Primary school	Equity	0900295047598	17/06/2021		98	26,620
51	Kithuiani Primary School	Equity	0900264186783	1/11/2021		114,655	762,404
52	Masewani primary school	Equity	0900278660925	6/7/2021		100	1,162,548
53	Kwandeto primary school	Equity	0900268487038	1/4/2019		182	10,127
54	Ituusya Primary School	Equity	0900279685897	16/09/2020		(127)	21,320

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No.	PMC	Bank	Account Number	Date Opened	A/C	Bank Balance 2022/23	Bank Balance 2021/22
55	Unyuani Primary school	Equity	0900271573839	5/8/2021		100	2,245,355
56	Kwandi Primary School	Equity	0900279332663	6/11/2021		131,517	1,506,605
57	Ngomani Primary School	Equity	0900279368673	3/11/2020		632	140,894
58	Kilalani Primary School	Equity	0900279853182	1/10/2021		1,304	60,257
59	Kathiini S.A Primary School	Equity	0900279881572	2/10/2020		54	5,539
60	Kyaaka Primary School	Equity	0900294868632	29/07/2020		1,604,122	2,122
61	Kathaana DEB Primary School	Equity	0900279890852	4/4/2022		159	986,085
62	Mulingana Primary School	Equity	0900295784425	21/09/2020		3,106	3,106
63	Matithini Primary School	Equity	0900279897573	6/7/2022		784	146,011
64	Kitongi Primary School	Equity	0900263477812	11/5/2021		69,280	411,361
65	Syanamu Primary School	Equity	0900267991888	17/06/2021		26	6,086
66	Kwakathule Primary School	Equity	0900279887897	9/6/2022		63,310	984,524
67	Mukuyuni S.A Secondary school	Equity	0900278735862	3/7/2021		3,089	179,492
68	ABC Kathithyamaa Secondary School	Equity	0900279092412	15/02/2022		5,634	339,235
69	A.I.C Kikambuani Secondary School	Equity	0900264222069	24/02/2022		44	437,806
70	AIC Matithini mixed Secondary School	Equity	0900269556072	25/05/2022		536	1,096,529
71	Kawauni Secondary School	Equity	0900279643714	14/01/2021		92	42,503
72	St. Michael Unyuani Secondary School	Equity	0900263451533	18/01/2020		140,533	15,485
73	Kangundo high School	Equity	0900297440167	6/6/2011		1,510	1,510

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No.	PMC	Bank	Account Number	Date Opened	A/C	Bank Balance 2022/23	Bank Balance 2021/22
74	DEB Kangundo Secondary School	Equity	0900269537176	11/5/2021		140,990	1,323,855
75	Kakuyuni Secondary School	Equity	0900262548677	2/3/2020		161	63,586
76	Kakuyuni Assistant County Commissioner	Equity	0900279678883	20/2/2020		414	926
77	Kanzalu Chiefs Office	Equity	0900265036098	21/9/2015		676	676
78	Mulingana Chiefs office	Equity	0900265508581	3/4/2020		2	5,612
79	Kyevaluki chiefs' office	Equity	0900273013281	5/2/2019		18	18
80	Kangundo Cdf Office	Equity	0900276382620	26/3/2018		3,886	3,886
81	Kangundo CDF Sports	Equity	0900276382771	11/3/2019		6,889	6,889
82	KMTC	Equity	0900262705557	8/8/2014		68,777	68,777
83	Maiuni Chiefs Office	Equity	0900269932079	16/6/2020		1,791	1,791
84	Kangundo Chiefs office	Equity	0900278861035	13/3/2019		102,539	170,525
85	Miu Assistant Chiefs Office	Equity	0900278729624	7/6/2021		52,775	94,775
86	Ndunduni Administration Police post	Equity	0900263498516	9/12/2014		39	39
87	Kitwii chiefs' office	Equity	0900276382821	5/2/2019		225	93,565
88	Kakuyuni Police Station	Equity	0900263355985	5/2/2019		4,217,678	931
89	Kangundo DCC Residence	Equity	0900277555738	7/4/2021		2,473	2,473
90	Kavilinguni Assistant Chief's office	Equity	0900264721592	25/9/2020		2	9,592
91	The S.A Imilini secondary School	Equity	0900264476819	17/4/2021		216	38,946
92	Kangundo Emergency cdf	Equity	0900280449299	15/5/2020		CLOSED	845

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No.	PMC	Bank	Account Number	Date Opened	A/C	Bank Balance 2022/23	Bank Balance 2021/22
93	St. Francis Misyani Girls High School	Equity	0900280274750	6/11/2020		646	646
94	Matetani Assistant chiefs' office	Equity	0900280151040	25/9/2022		2,853	2,853
95	Kathaana Chiefs office	Equity	0900280151931	28/9/2020		2,948	2,948
96	A.I.C Matetani Mixed Secondary School	Equity	0900262545645	6/2/2021		164	146,489
97	Ngumuti Assistant Chiefs office	Equity	0900282494807	7/4/2022		222,226	0
98	Kivi Assistant chief office	Equity	0900265135567	17/4/2022		38,815	0
99	Kawauni Assistant chiefs' office	Equity	0900280304178	19/11/2020		88,888	147,860
100	Kakuyuni Primary School	Equity	0900279979388	3/12/2020		1,361,662	162
101	Kikalu Primary School	Equity	0900282494971	4/3/2022		148,262	2,355,000
102	Kavilinguni High School	Equity	0900294471409	18/5/2022		66,570	983,000
103	Kawethei Secondary School	Equity	0900264167171	6/6/2022		245,798	7,107
104	Kathaana DEB Secondary School	Equity	0900262863946	15/2/2022		1,039	7,107
105	Kwakathule Secondary School	Equity	0900271573824	15/7/2021		980,371	0
106	Manyatta Secondary School	KCB	1109688040	23/3/2022		3,896	0
107	St Martins Kitwii Secondary School	KCB	1109561156	22/5/2021		39,292	39,292
108	Kyevaluki Secondary School	KCB	1109688148	24/3/2021		20,304	21,621
109	Kikalu Primary School	KCB	1109687206	14/3/2019		1,637	1,637
	Totals					13,292,364	29,800,192

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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)
OAG/LER/NGCDF/KDO/2021/2022/1	Annex 4 on summary of fixed assets register reflects asset balance of Kshs. 22,072,001. However, the balance omits land of undetermined value where the constituency's offices are located. In addition, land ownership documents were not provided for audit. In the circumstances, the accuracy and completeness of the assets balance of Kshs. 22,072,001 could not be confirmed.	NG CDF Kangundo management did not include the land in the Asset register because the ownership documents are not with us. Thus including it in register would have been misleading.	Resolved	
OAG/LER/NGCDF/KDO/2021/2022/2	The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.29,589,184 as disclosed in Note 10A to the financial statements. The balance includes unpresented cheques totalling to Kshs. 1,302,506 out of which Kshs.68,041 were stale cheques not written back to the cashbook. In the	After the Audit, the Committee through a minuted resolution of 20 th June 2023, MIN/004/20 TH June, 2023 to reverse all the	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs. 68,041 could not be confirmed.	stale cheques and re-issue to other beneficiaries as per the list of beneficiaries attached.		
OAG/LER/NGCDF/KDO/2021/2022/3	Note 6 to the financial statements reflects transfers to secondary schools of Kshs. 10,500,000. The amount includes Kshs.3,420,940 transferred to Mukuyuni Secondary School for construction of three (3) classrooms and Kshs. 949,410 to Mulingana secondary school for construction of one classroom. However, verification in the month of march,2023 revealed that the floors in both schools were peeling off and notable cracks on the walls. In addition, note 7 to the financial statements reflects security projects of Kshs 3,450,000 which includes Kshs3,000,000 for construction of Kangundo chiefs' office. However, physical verification in the month of march,2023 revealed that the walls had cracks while the corners between the walls and the ceilings had cracked which	After the audit the management addressed the issue to relevant contractors who made the repairs and corrections that have been addressed. Written communication to the contractor and the photos of the repairs have been attached.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>required to be filled.</p> <p>In the circumstances, value for money on expenditure of Kshs 7,370,350 for construction of classrooms in the two (2) schools and construction of chief's office could not be confirmed.</p>			
OAG/LER/NGCDF/KDO/2021/2022/4	<p>The statements of receipts and payments reflects use of good and services amount of Kshs 6,847,194, which includes committee allowances of Kshs 2,206,600 as disclosed in note 5 to the financial statements. Review of allowance expenditure records revealed payments to sub-committee members for monitoring and evaluation, distribution of bursary forms, among other activities. However, appointment letters to the subcommittee members were not provided.</p> <p>In the circumstances, fund may have made irregular payments to persons not appointed to the committee.</p>	After the audit the management has provided appointment letters to sub-committee members copies are attached.	Resolved	
OAG/LER/NGCDF/KDO/2021/2022/5	The statements of assets and liabilities and Note 10A to the financial statements reflects bank balances of Kshs 29,589,184 being the balance for the account	After the audit the management received a copy of approval from		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>operated by the Fund at equity tala branch. However, there was no evidence of approval from the National treasury to opening and operating this account. This was contrary to section 12(1) of the National Government Constituencies Development Fund act,2015 which states that for the purpose of disbursement of funds under this Act there shall be opened and maintained a constituency account for every constituency at any commercial bank, approved by the National treasury into which all funds shall be kept and such an account shall be known by the name of the constituency for which it is opened and each constituency shall maintain only one account. In the circumstances. Management was in breach of the law.</p>	<p>the National Treasury to open and operate equity bank Kenya Ltd, Tala Branch, from the Sub-County National Treasury. We therefore have a copy in the office.</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/LER/NGCDF/KDO/2021/2022/6	Note 17.4 to the financial statements and Annex 5 reflect project management committee (PMC) bank account balances totalling to Kshs 29,800,192. The balance includes Kshs 18,257,662 being unspent balances for fifteen (15) projects which had been completed but not transferred to constituency account. This was contrary to section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.	The management has written to the bank through attached copy of the bank instruction to transfer back all PMC balances to the Constituency main account as shown in our July 2023 bank statements.	Resolved	



WESLEY KIBET NG'ENO
Fund Account Manager.

