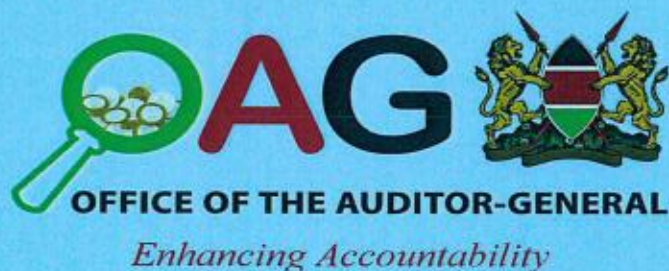


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY	
DATE: 03 MAR 2023	
DAY: Wednesday	
TABLED BY	Hon Owen Bayo, CBS, MP
OF	Deputy Majority Leader
CLERK-AT THE TABLE:	Miriam Mado

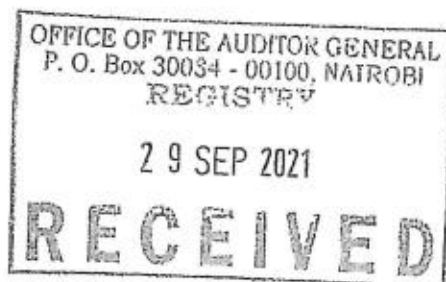
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

Revised Template 30th June 2021



LUANDA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2021

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



***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Table of Content
Page

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. NG-CDFC CHAIRMAN'S REPORT	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES	8
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	10
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES	13
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- LUANDA CONSTITUENCY</i>	14
VII. STATEMENT OF RECEIPTS AND PAYMENTS	15
VIII. STATEMENT OF ASSETS AND LIABILITIES	16
IX. STATEMENT OF CASHFLOW	17
X. SUMMARY STATEMENT OF APPROPRIATION	18
X. BUDGET EXECUTION BY SECTORS AND PROJECTS	20
XI. SIGNIFICANT ACCOUNTING POLICIES	24
XII. NOTES TO THE FINANCIAL STATEMENTS	28
XIII. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS	35



Luanda Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	GREGORY OTAALO
2.	Sub-County Accountant	BONIFACE KHADOLWA
3.	Chairman NGCDFC	SAMUEL O. MBATI
4.	Member NGCDFC	REV RUTH OWOUR

(d) Fiduciary Oversight Arrangements

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

(e) Luanda Constituency NGCDF Headquarters

P.O. 536-50307
Luanda
Ebusakami Kima Road
Luanda, KENYA

(f) Luanda Constituency NGCDF Contacts

Telephone: (254) 721925048
E-mail: cdfluanda@ngcdf.go.ke



***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Website: www.go.ke

(g) Luanda Constituency NGCDF Bankers

Equity Bank
Luanda Branch
P.O Box
Luanda

(h) Independent Auditors

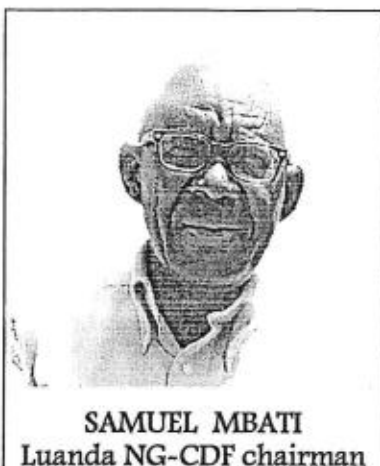
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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



II. NG-CDFC CHAIRMAN'S REPORT



I hereby present our Constituency Annual Report and Financial Statements for the Year ended 30th June 2021 during which we recorded a fairly good performance amid various operational challenges. I express my sincere appreciation to my fellow committee members for their time and dedication during the period and for their insights and expertise.

The performance is hereby summarised as shown below:

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

I appreciate the role played by local stakeholders and Project Management Committees from the five wards who work closely with the Luanda NG-CDF Committee in identifying and prioritizing community projects to be implemented with regard to realizing the vision 2030. The Luanda NG-CDFC in consultation with other stakeholders has highlighted the importance and relevance of actualizing targets on proposed projects by strict adherence to the 2015 NG-CDF Act which outlines clearly the government financial regulations and procedures which are subject to audit.

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

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

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

Among major milestones realized by the Luanda NG-CDF Committee include;

- I. Construction of 10 modern classes for school relocation at Emululu Primary School
- II. Enrolment of over 230 students on fully sponsorship Bursary Program in institutions within Luanda Constituency
- III. Improvement of Mumboha Secondary School Playground
- IV. Completion of the Luanda NG-CDF Offices
- V. Acquisition of Land for establishment of Esiandumba , Mukhalakhala and Ebusakami, Emabungo and Irumbi Chiefs Camps etc.
- VI. Inception of New Public education institutions including;
 - a) Kayila Secondary School
 - b) Mulwakhi Secondary School
 - c) Esibeye Girl's Secondary School

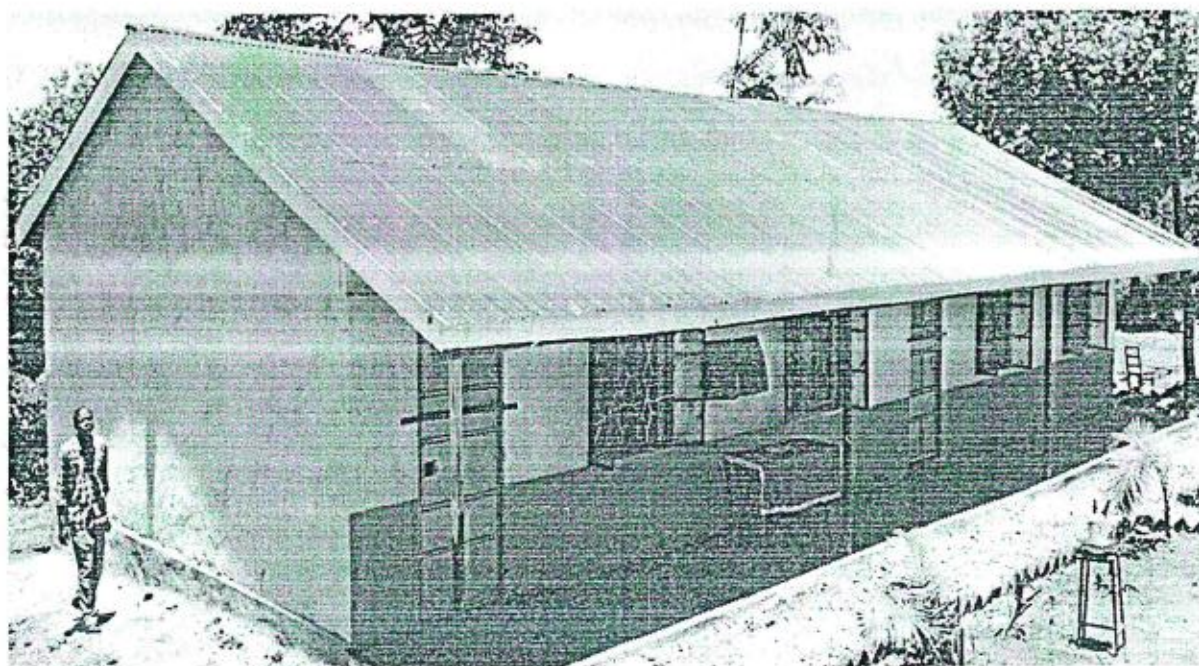
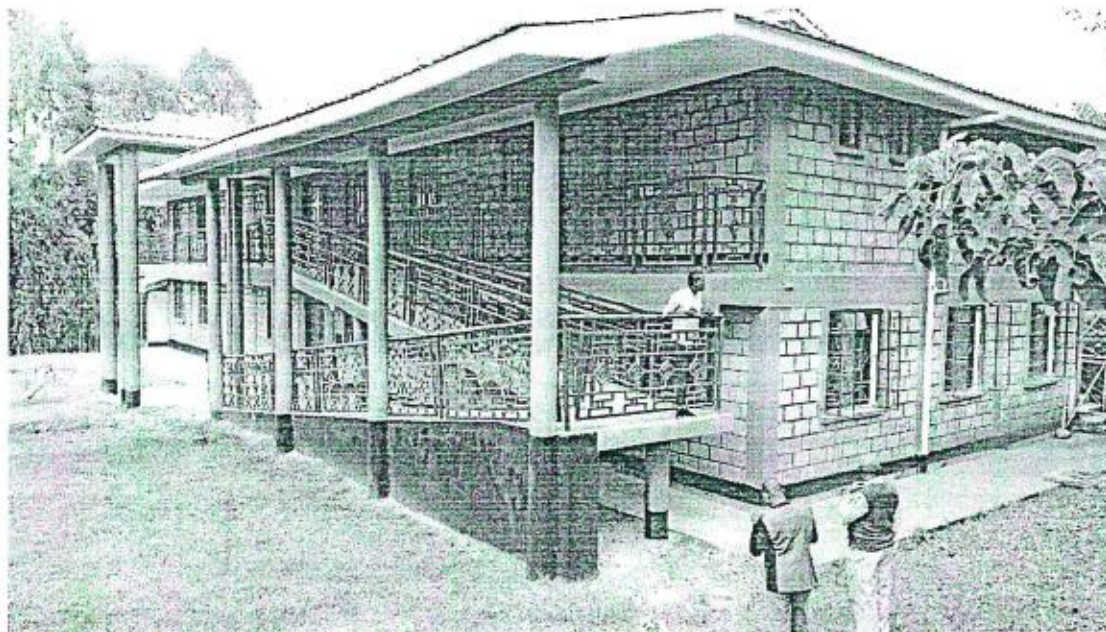


**Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

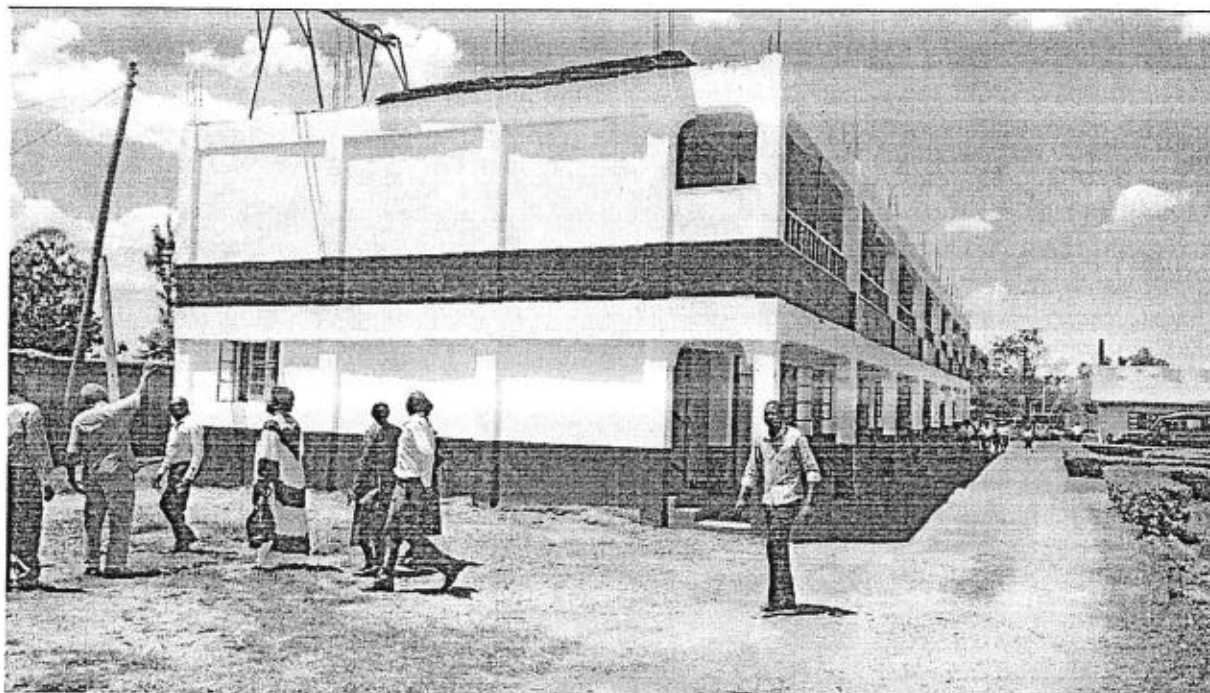
d) Khumuseno Primary School

- VII. Relocation of Mumboha Secondary School and Emululu Primary School
- VIII. Drilling and equipment of Boreholes at Emululu Primary School and Ebwali Secondary school
- IX. Construction of Storey building dormitory facilities at Ebusakami and Ekwanda secondary schools.

Below are some photos of the successful projects implemented




***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***



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

My committee is well aware of the emerging issues and shall continue to observe and promote the health protocols with regard to matters concerning Corona Virus mitigation, carry out its mandate in accordance with the Law and in constant consultation with relevant stakeholders. We endeavour to focus our energies in the right direction considering strong values and commitment that shall translate into a delivering culture to the entire constituency.


Mr. Samuel .O. Mbatia,
Chairman Luanda NGCDFC.



III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- To improve academic performance in national exams for primary and secondary schools
- To increase technical skills for improved youth employment
- To improve access to security services
- To improve citizen's engagement with security agents
- To nurture youths talents through sports
- To increase forest cover and minimize land degradation

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 20/21 we increased number of classrooms, dormitories, laboratories within the constituency - Bursary beneficiaries at all levels were as per the attached schedules
Security	Improved access to security services Improved citizen engagement with security agents	Low number of reported crimes in the constituency Strengthen community policing st	Increase number of police stations Numbers of usable offices for chiefs	In the fy 19/20 we increased the number of chief's offices Provide electricity to chief's offices
Environment	Improve and increased forest cover and minimize	Increased forest cover in the whole constituency	Support youth and women groups tree nursery enterprises	Annual tree planting in public schools and other institutions Organise quarterly

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Constituency Sector	Objective	Outcome	Indicator	Performance
	land degradation			cleaning of the markets Provide litter bins to enhance waste management
Sports	Nurture youths' talents through sports	Youths engagement in sporting activities in the constituency	Support active youths' clubs with sports equipment	Nurture youths' talents through sports- Promote annual youth tournament Improved sports play ground

FUND ACCOUNT MANAGER
 NG-CONSTITUENCY DEV. FUND-LUANDA
 P. O. Box 536 - 50307
 LUANDA

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*

***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

- *NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

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

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

4. Market place practices-

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

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

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

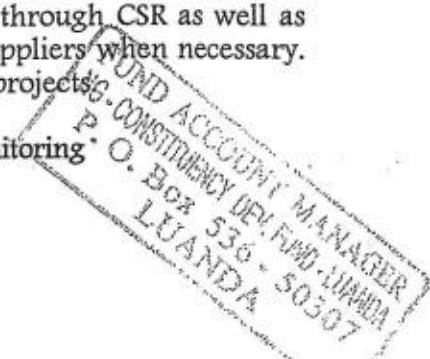
NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring



Luanda Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

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

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

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

Public Awareness

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

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



12

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Luanda Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Luanda Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Luanda Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- Luanda Constituency financial statements were approved and signed by the Accounting Officer on 10/9/ 2021.


Chairman NGCDF Committee
MR.SAMUEL MBATI



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LUANDA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Luanda Constituency set out on pages 15 to 46,

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 - Luanda Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Variances between Financial Statements and Ledger Balances

The statement of receipts and payments reflects expenditure of Kshs.3,775,082 in respect of compensation of employees and other grants and transfers of Kshs.28,738,093 as disclosed at Notes 4 and 7 to the financial statements, respectively. However, the amounts were at variance with the ledgers provided for audit as tabulated below:

Component	Description	Amounts Reflected in General Ledger/ Trial Balance (Kshs.)	Amounts Reflected in Financial Statements (Kshs.)	Variance (Kshs.)
Employee Costs	Basic staff Salaries	3,468,338	2,598,824	869,514
Employee Costs	Gratuity-Contractual Employees	1,432,108	952,914	479,194
Employee Costs	NHIF	83,400	-	83,400
Other Grants and Transfers	Bursary to Secondary Schools	11,298,204	9,656,204	1,642,000
Other Grants and Transfers	Bursary Tertiary Institutions	6,489,260	8,131,655	(1,642,395)

The variances have not been reconciled or explained.

In the circumstances, the accuracy and completeness of the reported expenditure totalling Kshs.32,513,175 for employee costs and other grants and transfers could not be confirmed.

1.2 Misstated Comparative Balances

The statement of assets and liabilities reflects a comparative balance of Kshs.128,490 in respect of cash and cash equivalents which differs with the corresponding balance of Kshs.3,609,082 reflected in the audited financial statements for the year ended 30 June, 2020 resulting into a variance of Kshs.3,480,592. Further, the statement reflects a nil comparative balance in respect to accounts payable-retentions while the prior year's audited financial statements reflected Kshs.3,480,592. The variances have not been explained or reconciled.

In the circumstances, the accuracy and completeness of the cash and cash equivalents and accounts payable-retention balances could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects actual income of Kshs.166,296,214 against a budget amount of Kshs.208,085,093 resulting to an under-collection of revenue of Kshs.41,788,879 or 20% of the budget. In addition, the statement reflects budgeted total expenditure of Kshs.208,085,093 against actual expenditure of Kshs.134,043,155 yielding a budget under-absorption of Kshs.74,041,938 or 36% of the budget.

As a result, the Fund did not implement all planned and approved projects which may have had a negative impact on the services rendered to the residents of Luanda Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Under-allocation of Bursaries

The statement of receipts and payments reflects other grants and transfers of Kshs.28,738,093 which as disclosed at Note 7 to the financial statements, includes Kshs.9,656,204 and Kshs.8,131,655 totalling to Kshs.17,787,859 in respect of bursaries for students in secondary schools and tertiary institutions, respectively. The amount disbursed for bursaries represented 11% of the total allocation of Kshs.166,167,724 to the Constituency. This is contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall allocate not less than twenty five percent (25%) of the funds allocated to a constituency for bursaries.

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

2. Incomplete School Project

On 04 February, 2019 the Fund Management engaged a local contractor to construct eight (8) classrooms, a library and an administration block at Esibeye Primary School at a contract sum of Kshs.20,500,000 and an estimated completion date of 3 December, 2019. However, audit inspection of the Project in April, 2022 revealed that the Project was incomplete, twenty-eight (28) months after the lapse of the intended completion period and the contractor was not on site which was an indication that the Project had stalled. In addition, the contractor had requested for project period extension to September, 2021, but no evidence was provided that the extension was approved. Further, the performance bond lapsed in March, 2019 and evidence of renewal was not provided.

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

3. Irregular Emergency Expenditure

The statement of receipts and payments reflects other grants and transfers of Kshs.28,738,093 which, as disclosed in Note 7 to the financial statements, includes emergency projects payments of Kshs.6,525,234. As recorded in the annual expenditure returns during the year under review, the emergency projects expenditure included payments totalling to Kshs.2,119,886 comprising Kshs.569,886, Kshs.950,000 Kshs.600,000 for renovation of National Government Constituencies Development Fund offices, completion of classrooms at Khumuseno primary school and construction of Chief's camp at Ebulako, respectively. However, the nature and purpose of the payments was not in accordance with the provisions of Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which provides that "emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the Committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 September, 2022


Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	166,167,724	68,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		166,167,724	68,000,000
PAYMENTS			
Compensation of employees	4	3,775,082	3,250,629
Use of goods and services	5	9,923,348	13,411,884
Transfers to Other Government Units	6	91,606,632	56,309,570
Other grants and transfers	7	28,738,093	45,478,504
Acquisition of Assets	8	-	846,490
Other Payments	9	-	-
TOTAL PAYMENTS		134,043,155	119,297,077
SURPLUS/DEFICIT		32,124,569	(51,297,077)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Luanda Constituency financial statements were approved on 10/9/2021 and signed by:


Fund Account Manager
MR.GREGORY OTAALO


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


Chairman NG-CDF Committee
MR.SAMUEL MBATI


Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

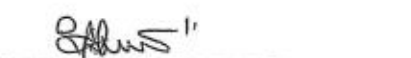
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	32,253,059	128,490
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		32,253,059	128,490
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		32,253,059	128,490
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		32,253,059	128,490
REPRESENTED BY			
Fund balance b/fwd 1st July 2020	13	128,490	51,425,567
Prior year adjustments	14	-	-
Surplus/Deficit for the year		32,124,569	(51,297,077)
NET FINANCIAL POSITION		32,253,059	128,490
		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Luanda Constituency financial statements were approved on 10/9/2021 and signed by:


Fund Account Manager
MR. GREGORY OTAALO


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


Chairman NG-CDF Committee

MR. SAMUEL MBATI




Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

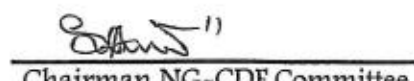
IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	166,167,724	68,000,000
Other Receipts	3	-	-
		166,167,724	68,000,000
Payments for operating activities			
Compensation of Employees	4	3,775,082	3,250,629
Use of goods and services	5	9,923,348	13,411,884
Transfers to Other Government Units	6	91,606,632	56,309,570
Other grants and transfers	7	28,738,093	45,478,504
Other Payments	9	-	-
		134,043,155	118,450,587
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		32,124,569	(50,450,587)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	846,490
Net cash flows from Investing Activities		-	846,490
NET INCREASE IN CASH AND CASH EQUIVALENT		32,124,569	(51,297,077)
Cash and cash equivalent at BEGINNING of the year	10	128,490	51,425,567
Cash and cash equivalent at END of the year		32,253,059	128,490

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Luanda Constituency financial statements were approved on 10/09/2021 and signed by:


Fund Account Manager
MR. GREGORY OTAALO


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


Chairman NG-CDF Committee
MR. SAMUEL MBATI



Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021
X. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %	
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	128,490	70,867,723	208,085,093	166,296,214	41,788,879	80%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,088,879	128,490	70,867,723	208,085,093	166,296,214	41,788,879	80%
PAYMENTS							
Compensation of Employees	4,461,560	88,490	-	4,550,050	3,775,082	774,968	83%
Use of goods and services	7,229,139	-	2,694,209	9,923,348	9,923,348	-	100%
Transfers to Other Government Units	69,037,690	-	58,424,313	127,462,004	91,606,632	35,855,372	72%
Other grants and transfers	50,860,489	40,000	8,499,214	59,399,703	28,738,093	30,661,610	48%
Acquisition of Assets	-		1,146,490	1,146,490	-	1,146,490	0.0%
Other Payments	5,500,000	-	103,497	5,603,497	-	5,603,497	0.0%
TOTAL	137,088,879	128,490	70,867,723	208,085,093	134,043,155	74,041,938	64%

Commentary on Budget utilisation


- i. Compensation of employee was underutilized as a result of unpaid gratuity
- ii. Other grants and transfer was underutilized as a result of bursary which was paid after the end financial year



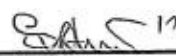
Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	74,041,938
Less undisbursed funds receivable from the Board as at 30th June 2021	41,788,879
	32,253,059
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	32,253,059

The NGCDF-Luanda Constituency financial statements were approved on 15/07/2021 and signed by:


 Fund Account Manager
 MR. GREGORY OTAALO


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


 Chairman NG-CDF Committee
 MR. SAMUEL MBATI

*Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021	Opening Balance (C/Bk) and AIA	Adjustments Previous Years' Outstanding Disbursements	Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization Difference
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,461,560	88,490	-	4,550,050	3,775,082	774,968
1.2 Committee allowances	1,464,000		-	1,464,000	1,464,000	-
1.3 Use of goods and services	1,868,240		-	1,868,240	1,868,240	-
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,300,000			1,300,000	1,300,000	-
2.2 Committee allowances	1,168,170			1,168,170	1,168,170	-
2.3 Use of goods and services	1,428,730			1,428,730	1,428,730	-
3.0 Emergency	7,192,207		3,110,186	10,302,393	6,525,234	3,777,159
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	27,100,000		969,027	28,069,027	9,656,204	18,412,823
4.3 Tertiary Institutions						
4.4 Universities	12,520,349	40,000		12,560,349	8,131,655	4,428,694
4.5 Social Security						-
5.0 Sports	2,597,934		-	2,597,934	2,975,000	377,066

ACCOUNT MANAGER
NG-CONSTITUENCY DEV. FUND-LUANDA
P. O. Box 530 - 50307
LUANDA

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization Difference
6.0 Environment		103,497	103,497	-	103,497
6.1					
7.0 Primary Schools Projects					
(List all the Projects)					
EBBIBA PRIMARY SCHOOL	1,600,000	-	1,600,000	-	1,600,000
EBUSIRALO PRIMARY SCHOOL	1,600,000	-	1,600,000	-	1,600,000
EBUSSAMBA PRIMARY SCHOOL	2,400,000	-	2,400,000	-	2,400,000
ESIBEYE PRIMARY SCHOOL	3,500,000	4,042,035	7,542,035	7,542,035	-
ITABALIA PRIMARY SCHOOL	2,400,000	1,750,000	4,150,000	1,750,000	2,400,000
EKWANDA PRIMARY SCHOOL		300,000	300,000	300,000	-
ESIBEMBE PRIMARY SCHOOL		2,550,000	2,550,000	2,550,000	-
EKAMANJI PRIMARY SCHOOL		1,600,000	1,600,000	1,600,000	-
EMMUTSA PRIMARY SCHOOL		2,550,000	2,550,000	2,550,000	-
EMMALOBA PRIMARY SCHOOL	1,600,000	-	1,600,000	1,600,000	-
EMMATSI PRIMAMYS CHOO	1,600,000	-	3,350,000	3,350,000	-
EPANGA PRIMARY SCHOOL	1,600,000	-	1,600,000	-	1,600,000
KHWILIBA PRIMARY SCHOOL	5,500,000	8,196,391	13,696,391	13,696,391	-
WANDECHE PRIMARY SCHOOL		350,000	350,000	350,000	-
ESSONGOLO PRIMARY SCHOOL		1,750,000	1,750,000	1,750,000	-
WALUKA PRIMARY SCHOOL	-	3,500,000	3,500,000	3,500,000	-
8.0 Secondary Schools Projects (List all the Projects)					

*Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

FUND ACCOUNT MANAGER
NG-CONSTITUENCY DEV. FUND-LUANDA
P. O. Box 536 - 50307
LUANDA

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization Difference
EBUBAYI SECONDARY SCHOOL	2,000,000	-	4,000,000	4,000,000	-
EBUSAKAMI GIRLS SECONDARY	3,000,000	-	7,000,000	4,000,000	3,000,000
EBWALI SECONDARY SCHOOL	1,000,000	-	2,800,000	2,800,000	-
EBWIRANYI SECONDARY SCHOOL	2,000,000	-	3,500,000	1,500,000	2,000,000
EKWANDA SECONDARY SCHOOL	4,000,000	-	6,000,000	2,000,000	4,000,000
EMMATSI SECONDARY SCHOOL	1,000,000	-	3,500,000	3,500,000	-
ESIANDUNBA SECONDARY SCHOOL	4,000,000	-	5,000,000	3,000,000	2,000,000
ESIBEYE SECONDARY SCHOOL	1,500,000	-	6,800,000	6,800,000	-
ESIBEYE SECONDARY SCHOOL	3,200,000	-	3,200,000	3,200,000	-
ESIBEYE SECONDARY SCHOOL	700,000	-	700,000	700,000	-
ESIBEYE SECONDARY SCHOOL	1,100,000	-	1,100,000	1,100,000	-
KAYILA SECONDARY SCHOOL	1,000,000	-	2,000,000	2,000,000	-
MUMBOHA SECONDARY SCHOOL	17,837,690	-	27,817,787	15,242,414	12,575,373
9.0 Tertiary institutions Projects (List all the Projects)	-	-	-	-	-
10.0 Security Projects	-	-	-	-	-
EBULAKO CHIEFS CAMP	500,000	-	1,500,000	1,500,000	-
EBUSAKAMI CHIEFS CAMP	350,000	-	1,600,000	1,600,000	-
ESIBEYE CHIEFS CAMP	600,000	-	1,600,000	1,600,000	-
EBUBAYI CHIEFS CAMP	-	-	500,000	-	500,000
MUKHALAKHALA CHIEFS CAMP	-	-	670,000	670,000	-
11.0 Acquisition of assets	-	-	-	-	-

*Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget		Adjustments	Final Budget	Actual on comparable basis	Budget utilization Difference
11.1 Motor Vehicles (including motorbikes)	-	-	300,000	300,000	-	300,000
11.2 Construction of CDF office	-	-	846,490	846,490	-	846,490
11.3 Purchase of furniture and equipment						-
11.4 Purchase of computers						-
11.5 Purchase of land						-
12.0 Others						-
12.1 Strategic Plan						-
12.2 Innovation Hub						-
Funds pending approval**	10,400,000			10,400,000	-	10,400,000
Total	137,088,879	128,490	70,867,723	208,085,093	134,043,155	74,041,938



XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

These include Appropriation-in-Aid and relate 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

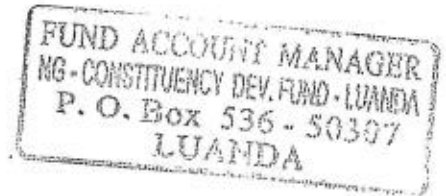
In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, 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 NGCDF Act, 2015

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2020 for the period 1st July 2020 to 30th June 2021 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 2021

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.

***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

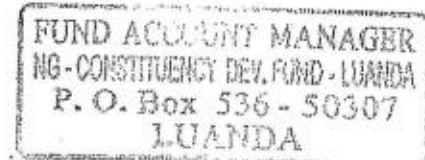
During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

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.



Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021



XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
	AIE NO. B 041110		4,000,000
Normal Allocation	AIE NO. B 047783		16,000,000
	AIE NO. B 047835		7,000,000
	AIE NO. B 104104		10,000,000
	AIE NO. B 104381		15,000,000
	AIE NO. B 096598		16,000,000
	AIE NO. B 096972	15,000,000	
	AIE NO. B 104633	24,000,000	
	AIE NO. B 823667	11,067,724	
	AIE NO. B 124593	9,000,000	
	AIE NO. B 124855	18,200,000	
	AIE NO. B 119545	10,000,000	
	AIE NO. B 119935	13,000,000	
	AIE NO. B 128177	6,900,000	
	AIE NO. B 128490	7,000,000	
	AIE NO. B 122233	6,000,000	
	AIE NO. B 138901	13,000,000	
	AIE NO. B 126195	6,000,000	
	AIE NO. B 105156	15,000,000	
	AIE NO. B 140633	12,000,000	
TOTAL		166,167,724	68,000,000

2. PROCEEDS FROM SALE OF ASSETS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

4 COMPENSATION OF EMPLOYEES		
Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,598,824	2,168,325
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	952,914	880,068
Employer Contributions Compulsory national social security schemes	223,344	202,236
TOTAL	3,775,082	3,250,629

*Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	326,450	1,506,174
Electricity	77,399	198,034
Water & sewerage charges	50,100	137,800
Office rent		-
Communication, supplies and services	-	960,000
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	358,600
Rentals of produced assets		-
Training expenses	-	-
Hospitality supplies and services	-	141,400
Other committee expenses	6,707,531	2,006,050
Committee allowance	2,297,445	6,353,380
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services		566,260
Fuel , oil & lubricants	200,000	500,000
Other operating expenses	-	84,960
Bank service commission and charges	-	99,000
Other Operating Expenses	206,592	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	57,831	150,776
Routine maintenance- other assets		349,450
TOTAL	9,923,348	13,411,884

FUND ACCOUNT MANAGER
NG-CONSTITUENCY DEV.FUND-LUANDA
P. O. Box 530 - 50307
LUANDA

*Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

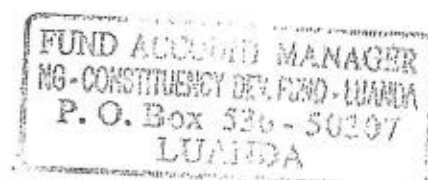
6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	39,733,337	33,174,425
Transfers to Secondary Schools	51,873,295	23,135,145
Transfers to Tertiary Institutions		
TOTAL	91,606,632	56,309,570

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary (see attached list)	9,656,204	26,401,704
Bursary -Tertiary (see attached list)	8,131,655	13,698,500
Bursary- Special Schools	-	125,000
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security Projects (see attached list)	1,450,000	-
Sports Projects (see attached list)	2,975,000	3,103,300
Environment Projects (see attached list)	-	-
Emergency Projects (see attached list)	6,525,234	2,150,000
TOTAL	28,738,093	45,478,504

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021



NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. BALANCES BROUGHT FORWARD

	2020- 2021	2019- 2020
	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	128,490	51,425,604
Cash in hand	-	-
Imprest	-	-
TOTAL	128,490	51,425,604

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
Total	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020- 2021	2019- 2020
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in accounts receivables (D=A+B-C)	-	-

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 – 2019
	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 receivables D= A+B-C	-	-

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2020 - 2021	2019 - 2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	846,490
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
TOTAL	-	846,490

9. OTHER PAYMENTS

Strategic Plan	-	-
ICT Hubs	-	-
	-	-
TOTAL	-	-

FUND ACCOUNT MANAGER
 NG-CONSTITUENCY DEPT-LUANDA
 P.O. Box 5344 50307
 LUANDA

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2020 – 2021	2019 - 2020
		Kshs (30/6/2021)	Kshs (30/6/2020)
Equity Bank, Luanda Branch. Luanda NG-CDF	A/C 1120261446995	32,253,059	128,490
Equity Bank		-	-
		-	-
TOTAL		32,253,059	128,490
10B: CASH IN HAND)			
		2020 – 2021	2019 - 2020
		Kshs (30/6/2021)	Kshs (30/6/2020)
Location 1		-	-
Other receipts (specify)		-	-
TOTAL		-	-

11: OUTSTANDING IMPRESTS

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2020)
	Date imprest taken	Kshs	Kshs	Kshs
			-	-
		-	-	-
		-	-	-
TOTAL		-	-	-

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1st July 2020 (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020- 2021	2019- 2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020- 2021	2019- 2020
	Kshs	Kshs
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation of employees	1,140,146	971,564
Use of goods and services	842,832	-
Amounts due to other Government entities (see attached list)	29,150,036	62,186,324
Amounts due to other grants and other transfers (see attached list)	31,960,414	5,059,849
Acquisition of assets	548,510	846,490
Others (environment)	-	103,497
Funds pending approval	10,400,000	
Total	74,041,938	69,167,724



Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	219,552	375,825
	219,552	375,825

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	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.					
11.					
12.					
Sub-Total					
Grand Total					

FUND ACCOUNT MANAGER
 NG-CONSTITUENCY UNIT
 P. O. Box 5300, SOLO
 LUANDA

Luanda Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	STAFF SALARY	1,140,146	971,564	
Use of goods & services				
Amounts due to other Government entities				
EBBIBA PRIMARY SCHOOL	Construction of two classrooms	1,600,000		
EBUSIRALO PRIMARY SCHOOL	Construction of two classrooms	1,600,000		
EBUSSAMBA PRIM SCHOOL	Construction of 3 classrooms	2,400,000		
ITABALIA PRIMARY SCHOOL	Construction of 3 classrooms	2,400,000		
EPANGA PRIMARY SCHOOL	Construction of two classrooms	1,600,000		
EBUSAKAMI SECONDARY SCH	Construction of students dormitory	3,000,000		
EBWIRANYI SECONDARY SCH	Construction of science lab	2,000,000		
EKWANDA SECONDARY SCH	Construction of students dormitory	4,000,000		
ESIANDUMBA SECONDARY SCH	Construction of lab and administration block	2,000,000		
MUMBOHA SECONDARY SCH	Construction of 16 classes and administration block	8,550,035		
Sub-Total		29,150,035	62,186,324	
Amounts due to other grants and other transfers				
BURSARY	Payment of school fees to bright and needy students	27,683,255		
EMERGENCY	Catering for unforeseen occurrence	3,777,159	5,059,849	
EBUBAYI CHIEFS CAMP	Construction of chiefs office	500,000		
SPORTS	Organizing of sports activities	00		
Sub-Total		31,960,414	5,059,849	
Acquisition of assets				
Others (<i>MOTORBIKE</i>)	Purchase of motorbike	300,000		

Luanda Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

REFURBISHMENT OF CDF OFFICES	Refurbishment of cdf offices	548,510	846,490	
ENVIRONMENT	Planting	103,497	103,497	
Sub-Total		952,007	949,987	
Funds pending approval		10,400,000		
Grand Total		74,041,938	69,167,724	

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost Kshs 2019/2020	Additions during the year	Disposals during the year	Historical Cost Kshs 2020/2021
Land	2,446,727		-	2,446,727
Buildings and structures	35,441,526		-	35,441,526
Transport equipment	6,130,000		-	6,130,000
Office equipment, furniture and fittings	3,866,693	-	-	3,866,693
ICT Equipment, Software and Other ICT Assets	80,000		-	80,000
Other Machinery and Equipment	632,000		-	632,000
Heritage and cultural assets	-		-	-
Intangible assets	-		-	-
Total	48,596,946	-	-	48,596,946

FUND ACCOUNTS MANAGER
 NG-CDC CONSTITUENCY DEVELOPMENT FUND-LUANDA
 P. O. Box 526 - 50007
 LUANDA

***Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/2020
WALUKA PRIMARY SCHOOL	KCB	1128110156	138,125	2,005
EBWALI SECONDARY SCHOOL	EQUITY	0960293389065	13,114	1
ESIBEYE CHIEFS CAMP	EQUITY	1120277708325	7,100	57,169
EBUSAKAMI CHIEFS CAMP	EQUITY	1120277404954	5,118	161,879
EMMATSI SECONDARY SCHOOL	EQUITY	1120297582548	25,255	1,551
Ebulako chiefs camp	Equity	1120280085440	11,560	8,844
KAYILA SECONDARY SCHOOL	EQUITY	1120279267366	7,030	144,377
EMMATSI PRIMARY SCHOOL	EQUITY	1120297529957	4,545	-
EBWIRANYI SECONDARY SCHOOL	EQUITY	1120299458514	7,605	-
	TOTAL		219,552	375,825

*Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1 Receipts	Delaying in funding. The activities budgeted for were not implemented. The funds did not meet the intended objective of delivering goods and services to the residents of the constituency	The NG-CDF Board should disburse funds earlier in order for the constituency to be able to implement the budgeted projects in time for the benefit of the residents of the Luanda Constituency	Not resolved	One year
4.2 Compensation of employee	Payment to employee whose contract had expired	The contractual employees have valid contract to date of audit, the said employee renewed his contract and is valid as from 4 th January 2020 to December 2022	resolved	Immediately
4.2.1 use of goods and services	Variance between financial statement and schedule balances	The management has corrected the financial statement and availed for audit review	Resolved	Immediately
4.3 transfer to other government units	Incomplete project files for transfer to primary schools. Included in the transfer to primary schools are transfers to Emuhaya Primary, Embubayi primary and Mulwanda primary, however, anomalies revealed from the three project files were as follows, no tender	All the missing tender documents for the three schools were availed and attached for audit scrutiny annex 3a, 3b and 3c	resolved	Immediately

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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

Luanda Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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

FUND ACCOUNT MANAGER
 NG-CDF LUANDA
 P. O. Box 53007
 LUANDA

