

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

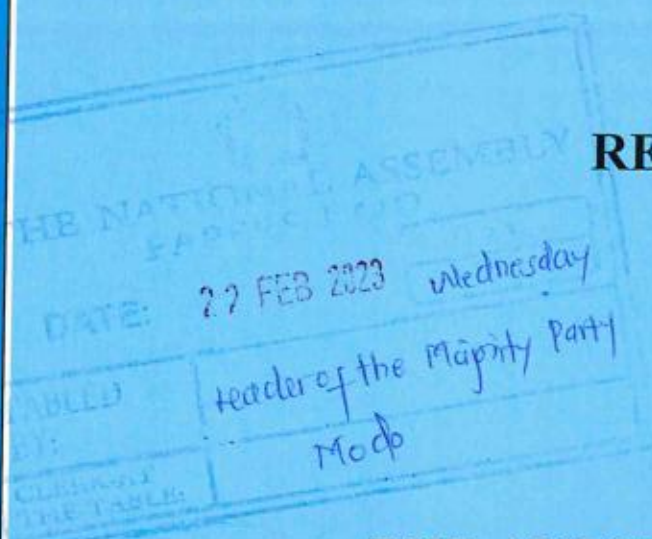
OF

THE AUDITOR-GENERAL

ON

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

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





UGUNJA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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



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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund

3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

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

(b) Key Management

The UGUNJA 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	Boaz Omondi Odeyo
2.	Sub-County Accountant	Luka Anyinyo
3.	Chairman NGCDFC	Bernard Omllo Werre
4.	Member NGCDFC	Beatrice Achieng Olaka

(d) Fiduciary Oversight Arrangements

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

(e) UGUNJA Constituency NGCDF Headquarters

P.O. Box 212-40606,
NG-CDF Building
Opposite Nyasanda Pri. School

(a) Ugunja, KENYA UGUNJA Constituency NGCDF Contacts

Telephone: (254) 727226801
E-mail: cdfUgunja@cdf.go.ke
Website: www.Ugunjaconstituency.co.ke

(b) UGUNJA Constituency NGCDF Bankers

Equity Bank
Siaya Branch
P.o Box 75104-00200
SIAYA.

(c) Independent Auditors

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

(d) Principal Legal Adviser

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

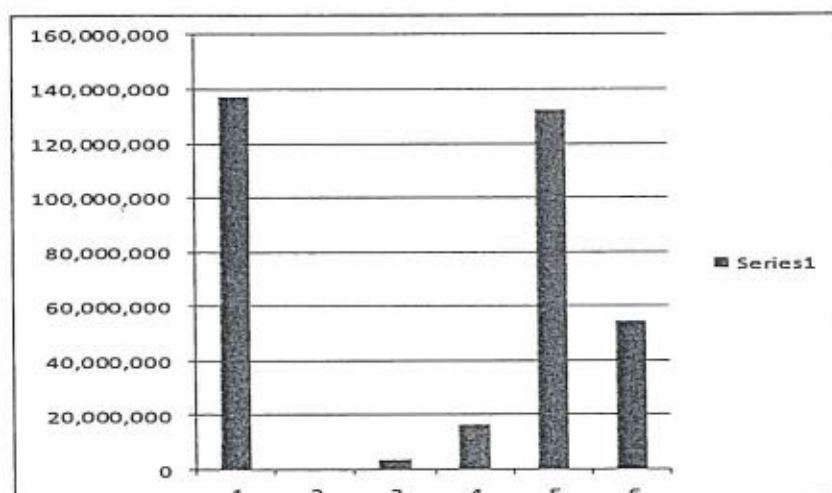
II. NG-CDFC CHAIRMAN'S REPORT



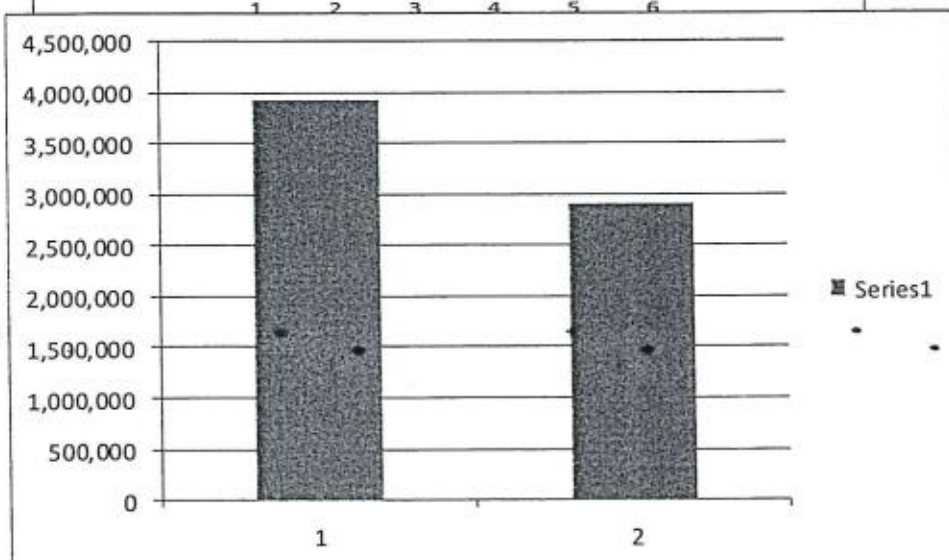
Bernard Omondi Weri
Chairman, NGCDFC Ugunja

In the financial year 2020/2021 the constituency had a total budget of Ksh. 207,217,492 against Actual expenditure of Ksh. 148,670,658 as analysed as follows:

Final budget in relation to expenditures



1. Total Receipts
3. Compensation of Employees
4. Use of goods and services
5. Transfers to Other Government Units
6. Other grants and transfers

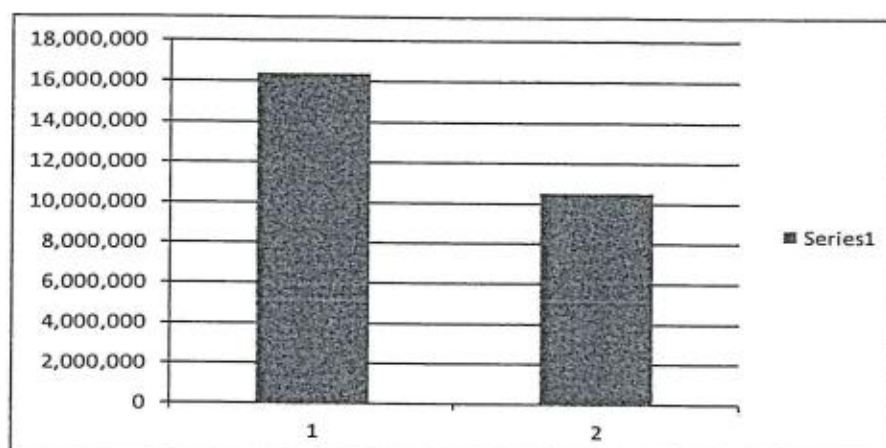


Compensation of employee

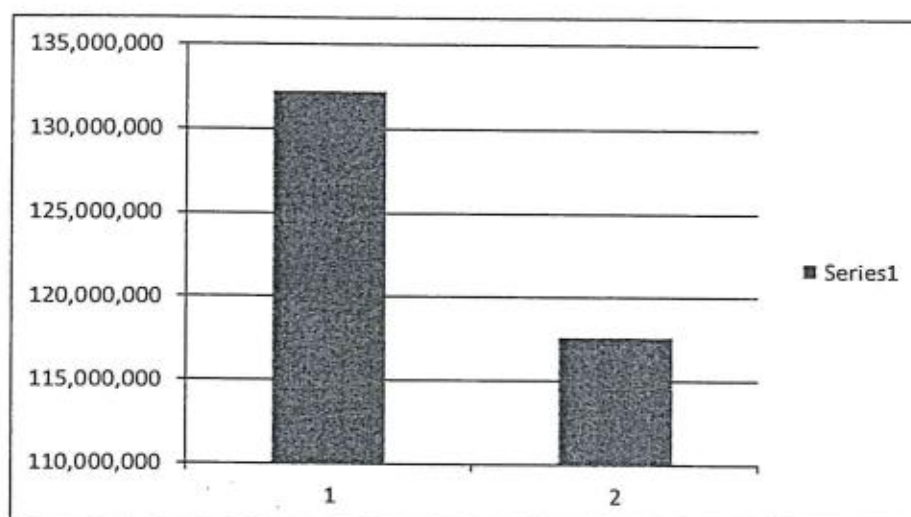
1. Budgeted Expenditure
2. Actual Expenditure

Use of goods and services

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

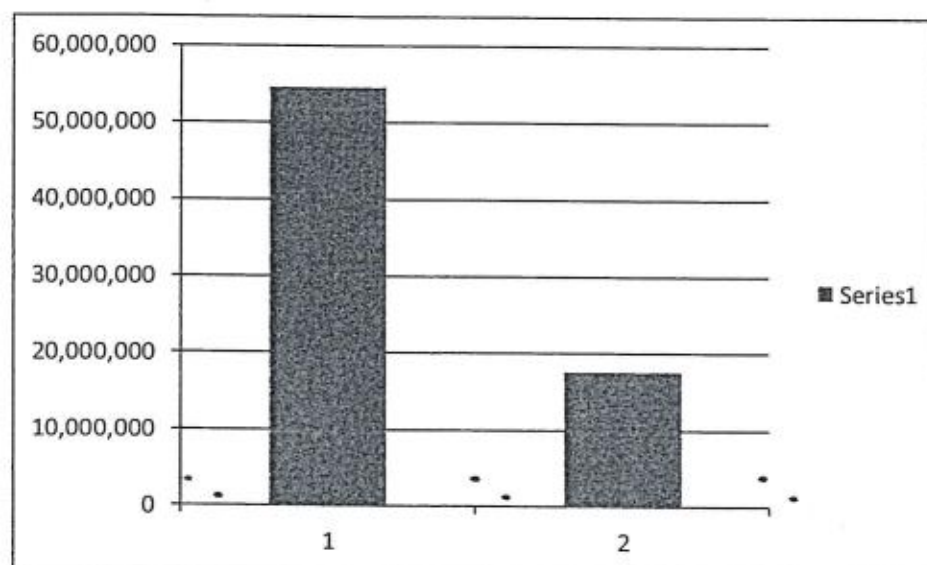


1. Budgeted Expenditure
2. Actual Expenditure



Transfers to Other Government Units

1. Budgeted Expenditure
2. Actual Expenditure



Other grants and transfers

1. Budgeted Expenditure
2. Actual Expenditure

Achievements of the constituency

- The entity has been able to do a number of projects up to completion. Projects are implemented without any delays once we get funding from the NG-CDF Board
- Success in improving learning of needy and bright students by awarding them bursaries and also improving learning infrastructures.
- We have also improved on security and enhanced easier access of local administrative matters by constructing chiefs' offices and police stations.

*Below are pictures of various projects done as indicators of our achievements:
One Classrooms at Umina Primary School*



Modern Toilet at KMTC Ugunja Campus



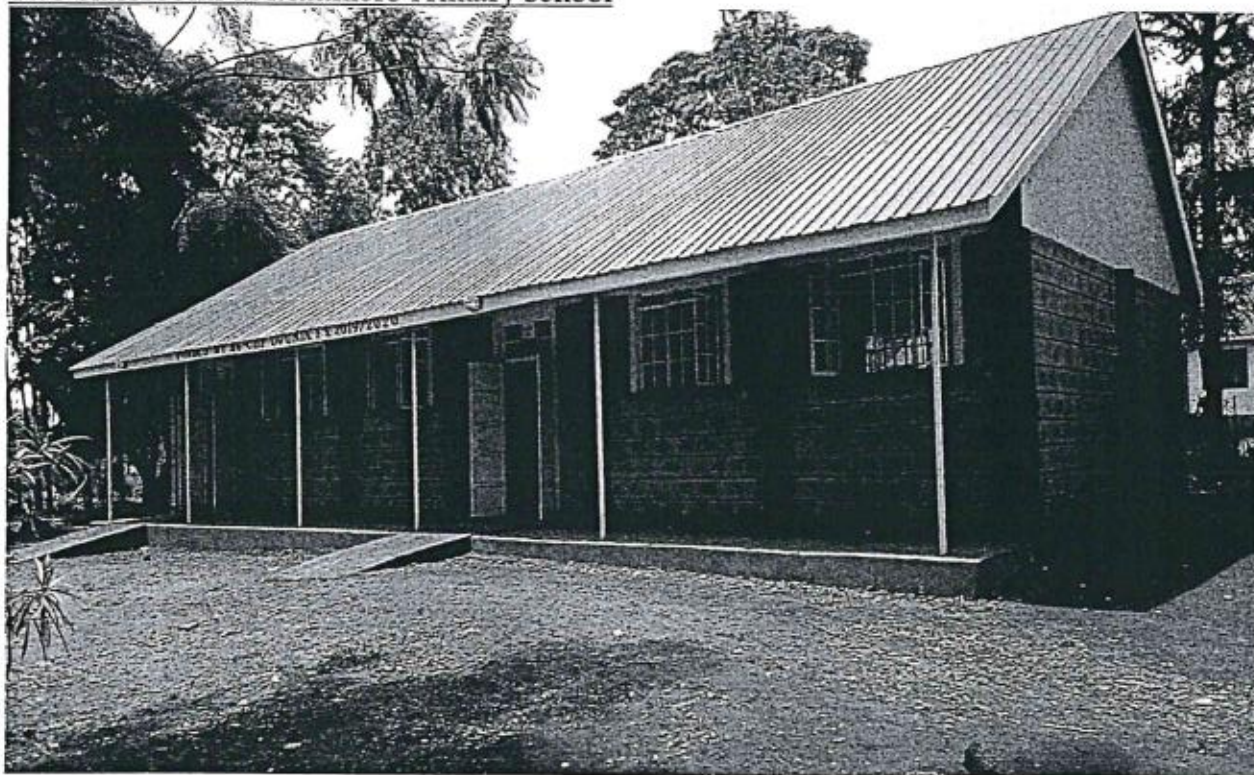
Borehall at KMTC Ugunja Campus



Administration block at KMTC Ugunja Campus



Two classrooms at Mudhiero Primary School



Two Classrooms at Rangala Girls Primary School



Chiefs Offices at West Uholo



Implementation challenges and recommended way forward.

- The public has a lot of exceptions from the office thinking that all the projects it can fund. However there are some projects that were devolved e.g. health. Therefore the office organises public awareness programmes to enlighten the community to understand the projects that we fund.

Signature

NAME: BENARD OMOLLO WERRE
CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 NGCDF-Ugunja Constituency's 2018-2022 strategic plan are to:

- To promote value addition in agricultural activities.
- To boost scholarship and effective participation of the community through capacity building.
- To stimulate structural development, conservation of the environment and socioeconomic development.
- To inspire a healthy population to increase productivity and employment opportunities through entrepreneurship.
- To promote transparency and accountability through project impact analysis and proper monitoring and evaluation.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 20/21 -we have completed the construction of 10 classrooms, 2 laboratories. - we had disbursed Bursary to over 1000 beneficiaries in both secondary and universities.
Security	To increase security administration services fastened	Increased security in the community and harness good behaviours of the members of the community	-number of usable chiefs offices and police stations constructed.	We constructed a total 3 Assistant Chiefs Offices, 2 Chiefs Offices and 1 police station.
Environment	To conserve the	Increased	Tree planting in	We planted tree

Ugunja Constituency

National Government Constituencies Development Fund (NGCDF)

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

Constituency Program	Objective	Outcome	Indicator	Performance
	environment and beautify it	number of trees within government institutions	the institutions were done and trees survived	seedlings in 20 government institutions.
Sports	To empower youths to identify their talents.	Youths have a source of income thus reducing dependency and crime.	Number of groups have benefited from tournaments organised by the entity	We supported 25 teams by providing uniforms and balls.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

- a. **Education and Training:** UGUNJA 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.

3. Employee welfare

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

UGUNJA 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

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.

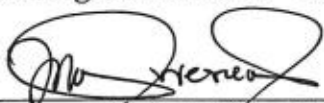
The Accounting Officer in charge of the NGCDF-UGUNJA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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-UGUNJA 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- UGUNJA 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.

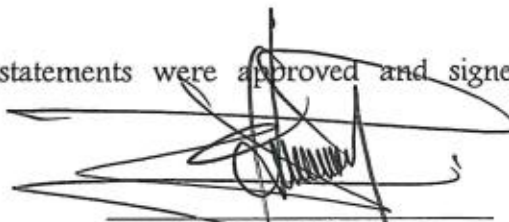
The Accounting Officer in charge of the NGCDF UGUNJA Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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- UGUNJA Constituency financial statements were approved and signed by the Accounting Officer on 13th September, 2022.



Chairman NGCDF Committee
Name: BENARD O. WERRE



Fund Account Manager
Name: BOAZ O. ODEYO

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ugunja Constituency set out on pages 18 to 56,

which comprise of the statement of assets and liabilities as at 30 June, 2021 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Ugunja 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Ugunja 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 opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.207,217,492 and Kshs.164,020,613 respectively resulting in an a revenue shortfall of Kshs.43,196,879 or 21% of the budget. Similarly, the reflects budgeted and actual expenditure totalling Kshs.207,217,492 and Kshs.148,670,658 respectively resulting in an under-expenditure of Kshs.58,546,834 or 28% of the budgeted amount.

The shortfall of revenue and under-expenditure constrained execution of planned activities and may have hampered delivery of services to the residents of Ugunja Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

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 Effective in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delay in Implementation of Projects

The projects implementation status report as at 30 June, 2021 indicated that the Management had planned to implement forty-five (45) projects at a cost of Kshs.137,088,879. Forty-one (41) projects allocated Kshs.125,638,879 or 92% of the budget were completed in the year under review whereas four (4) projects allocated Kshs.11,450,000 or 8% of the budget had not started as at the time of audit inspection in April, 2022.

The time efficiency of the Fund in implementing its projects was satisfactory. However, the failure to launch the four projects may have denied the residents of Ugunja Constituency the benefits expected from their implementation.

2. Cash Expenditure in Excess on Prescribed Threshold

Records on goods and services expenditure indicated that purchases of office stationery and electrical purchases totalling Kshs.1,568,045 exceeded the approved limits of Kshs.50,000 for cash purchases per item per financial year prescribed in Section 92(a) of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstance, Management acted 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

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the 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 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 Fund's policies and procedures may deteriorate.

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

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

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 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


26 September, 2022

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

VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED JUNE, 2021

	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	163,267,724	76,800,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		163,267,724	76,800,000
PAYMENTS			
Compensation of employees	4	2,909,340	3,337,848
Use of goods and services	5	10,546,869	5,350,568
Transfers to Other Government Units	6	117,664,449	50,200,000
Other grants and transfers	7	17,550,000	65,112,000
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		148,670,658	124,000,416
SURPLUS/DEFICIT		14,597,066	(47,200,416)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-UGUNJA Constituency financial statements were approved on 13TH OCTOBER 2022 and signed by:



Fund Account Manager
Name: BOAZ O. ODEYO



National Sub-County
Accountant

Name: LUKA O. ANYINYO
ICPAK M/No:



Chairman NG-CDF Committee

Name: BENARD O. WERRE

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

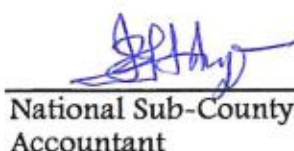
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30TH JUNE, 2021

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	15,349,955	752,889
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		15,349,955	752,889
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		15,349,955	752,889
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		15,349,955	752,889
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	752,889	47,953,305
Prior year adjustments	14	-	
Surplus/Deficit for the year		14,597,066	(47,200,416)
NET FINANCIAL POSITION		15,349,955	752,889

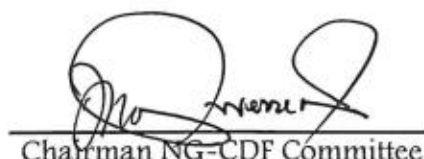
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-UGUNJA Constituency financial statements were approved on 13TH OCTOBER 2022 and signed by:



Fund Account Manager
Name: BOAZ O. ODEYO



Name: LUKA O. ANYINYO
ICPAK M/No:



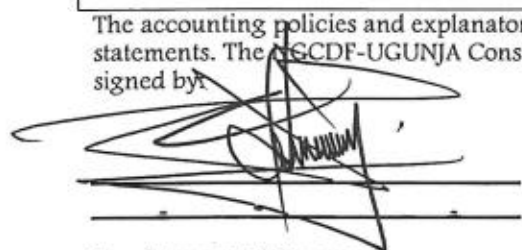
Name: BENARD O. WERRE

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

IX. STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30TH JUNE 2021

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	163,267,724	76,800,000
Other Receipts	3	-	-
		163,267,724	76,800,000
Payments for operating activities			
Compensation of Employees	4	2,909,340	3,337,848
Use of goods and services	5	10,546,869	5,350,568
Transfers to Other Government Units	6	117,664,449	50,200,000
Other grants and transfers	7	17,550,000	65,112,000
Other Payments	9	-	-
		148,670,658	124,000,416
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		14,597,066	(47,200,416)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		14,597,066	(47,200,416)
Cash and cash equivalent at BEGINNING of the year	10	752,889	47,953,305
Cash and cash equivalent at END of the year		15,349,955	752,889

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-UGUNJA Constituency financial statements were approved on 13TH OCTOBER 2022 and signed by:

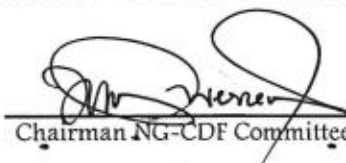


Fund Account Manager
Name: BOAZ O. ODEYO



National Sub-County Accountant

Name: LUKA O. ANYINYO
ICPAK M/No:



Chairman NG-CDF Committee

Name: BENARD O. WERRE

*Ugunja 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	752,889	69,375,724	207,217,492	164,020,613	43,196,879	79%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,088,879	752,889	69,375,724	207,217,492	164,020,613	43,196,879	79%
PAYMENTS							
Compensation of Employees	3,349,200	-	575,655	3,924,855	2,909,340	1,015,515	74%
Use of goods and services	8,968,799	752,889	6,642,331	16,364,019	10,546,869	5,817,150	64%
Transfers to Other Government Units	75,355,673	-	56,864,538	132,220,211	117,664,449	14,555,762	89%
Other grants and transfers	49,415,207	-	5,293,200	54,708,407	17,550,000	37,158,407	32%
Acquisition of Assets	-	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	-	0%
TOTAL	137,088,879	752,889	69,375,724	207,217,492	148,670,658	58,546,834	72%

Ugunja Constituency
National Government Constituencies Development Fund (NGCDF)
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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*

(a) Explanation for underutilization.

- i. For compensation of employees the utilization was below 90% because not all the funds were received before the end of the financial year 2020/2021.
- ii. For Use of goods and services the utilization was below 90% because not all the funds were received before the end of the financial year 2020/2021
- iii. For the Transfers to Other Government Units the utilization was below 90% because not all the funds were received before the end of the financial year 2020/2021
- iv. For the Other grants and transfers the utilization was below 90% because not all the funds were received before the closure of the financial year 2020/2021.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	58,546,834
Less undisbursed funds receivable from the Board as at 30 th June 2021	43,196,879
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	15,349,955

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-UGUNJA Constituency financial statements were approved on 13TH OCTOBER 2022 and signed by:



Fund Account Manager
Name: BOAZ O. ODEYO



Name: LUKA O. ANYINYO
ICPAK M/No:



Name: BENARD O. WERRE

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2020/2021			2020/2021	30/06/2021	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,349,200	-	575,655	3,924,855	2,909,340	1,015,515
1.2 Committee allowances	2,100,000	-	1,469,000	3,569,000	1,402,400	2,166,600
1.3 Use of goods and services	2,776,133	752,889	2,401,793	5,930,815	4,900,000	1,030,815
2.0 Monitoring and evaluation						
2.1 Capacity building	2,000,000	-	1,689,000	3,689,000	1,552,777	2,136,223
2.2 Committee allowances	1,248,000	-	882,240	2,130,240	964,000	1,166,240
2.3 Use of goods and services	864,666	-	953,187	1,817,853	1,727,692	90,161
3.0 Emergency	192,207	-	93,200	285,407	-	285,407
Ukalama primary school	2,000,000	-	-	2,000,000	2,000,000	-
Ginga Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Ngunya Primary School	1,000,000	-	-	1,000,000	1,000,000	-
Murumba Yiro Primary School	1,000,000	-	-	1,000,000	1,000,000	-
Mudaho Primary School	250,000	-	-	250,000	250,000	-
Nysanda Primary school	250,000	-	-	250,000	250,000	-

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

Lukongo Luduha Primay School	250,000	-	-	250,000	250,000	-
Sijimbo Primary School	250,000	-	-	250,000	250,000	-
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	22,100,000	-	-	22,100,000	-	22,100,000
4.3 Tertiary Institutions/universities	10,173,000	-	-	10,173,000	-	10,173,000
4.4 Special schools	2,100,000	-	-	2,100,000	-	2,100,000
4.5 Social Security						
5.0 Sports	2,000,000	-	2,000,000	4,000,000	2,000,000	2,000,000
7.0 Primary Schools Projects (List all the Projects)						
Luoka Primary School	500,000	-	-	500,000	500,000	-
Orao Primary School	1,000,000	-	-	1,000,000	1,000,000	-
Masamra Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Sikalame Primary School	1,200,061	-	-	1,200,061	1,200,061	-
Ulawe Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Lwanda Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Mayingo Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Ogeda Primary School	1,000,000	-	-	1,000,000	1,000,000	-
St. Paskalia Naya Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Uluthe Primary School	2,000,000	-	1,500,000	3,500,000	1,500,000	2,000,000
Got Osimbo Primary School	-	-	150	150	-	150
Bar atheng Primary School	-	-	1,500,000	1,500,000	1,500,000	-
Lunjre Primary School	-	-	2,000,000	2,000,000	2,000,000	-
Mudhiero Primary	-	-	2,000,000	2,000,000	2,000,000	-

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

School						
Rangala Girls Primary School	-	-	2,000,000	2,000,000	2,000,000	-
Sidindi Primary School	-	-	2,000,000	2,000,000	2,000,000	-
Suwinga Primary School	-	-	1,500,000	1,500,000	1,500,000	-
Ulanda Primary School	-	-	2,000,000	2,000,000	2,000,000	-
Umina Primary School	-	-	1,000,000	1,000,000	1,000,000	-
Uref Primary School	-	-	500,000	500,000	500,000	-
8.0 Secondary Schools Projects (List all the Projects)						
Nyasanda Community High School	7,000,000	-	-	7,000,000	7,000,000	-
Moi Uloma Secondary School	7,000,000	-	-	7,000,000	-	7,000,000
Got Osimbo Girls Secondary School	3,135,612	-	3,864,388	7,000,000	3,864,388	3,135,612
Ukalama Secondary School	-	-	(600,000)	(600,000)	-	(600,000)
Bar Atheng Secondary School	-	-	700,000	700,000	700,000	-
Ugenya High School	-	-	7,000,000	7,000,000	7,000,000	-
Uluthe Secondary School	-	-	900,000	900,000	900,000	-
Umina Secondary School	-	-	7,000,000	7,000,000	7,000,000	-
9.0 Tertiary institutions Projects (List all the Projects)						
Ugunja National Youth Service Outstation	8,000,000	-	-	8,000,000	7,000,000	1,000,000
Ugunja Technical Training Institute	2,000,000	-	7,000,000	9,000,000	9,000,000	-
Ugunja Kenya Medical Training Institute	10,000,000	-	7,000,000	17,000,000	17,000,000	-
Ugunja Kenya Medical Training Institute	2,500,000	-	8,000,000	10,500,000	10,500,000	-
Ugunja National Youth Service Outstation	10,000,000	-	-	10,000,000	10,000,000	-
Ugunja National Youth Service Outstation	10,000,000	-	-	10,000,000	10,000,000	-
10.0 Security Projects						
Simenya Chiefs Office	2,000,000	-	-	2,000,000	2,000,000	-

Ugunja Constituency

National Government Constituencies Development Fund (NGCDF)

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

Ngunya Assistant Office	300,000	-	-	300,000	300,000	-
Rangala Assistant Chiefs Office	600,000	-	-	600,000	600,000	-
Umina Police Station	450,000	-	-	450,000	450,000	-
Ugunja Sub-County Offices	500,000	-	-	500,000	-	500,000
West Uholo Chiefs Offices	2,000,000	-	2,000,000	4,000,000	4,000,000	-
Got Osimbo Assistant Chiefs Office	-	-	300,000	300,000	300,000	-
North Uholo Chiefs Office	-	-	300,000	300,000	300,000	-
Sikalame Chiefs Office	-	-	300,000	300,000	300,000	-
Yiro East Assistant Chiefs Office	-	-	300,000	300,000	300,000	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
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**	-					
Total	137,088,879	752,889	70,128,613	207,970,381	148,670,658	59,299,723

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-UGUNJA 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 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 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 10th 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.

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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Ugunja 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
NGCDF Board			
AIE NO. Bo47765	1		5,000,000
AIE NO. Bo41430	2		3,800,000
AIE NO. Bo41236	3		4,000,000
AIE NO. Bo41349	4		18,000,000
AIE NO. BO49198	5		7,000,000
AIE NO. B104175	6		14,000,000
AIE NO. B104137	7		5,000,000
AIE NO. BO96511	8		20,000,000
AIE NO. B104511	1	18,000,000	
AIE NO. B104686	2	25,000,000	
AIE NO. A823739	3	26,367,724	
AIE NO. B124685	4	9,000,000	
AIE NO. B119674	5	10,000,000	
AIE NO. B119713	6	15,000,000	
AIE NO. B128306	7	6,900,000	
AIE NO. B132067	8	7,000,000	
AIE NO. B132360	9	6,000,000	
AIE NO. B126029	10	12,000,000	
AIE NO. B126321	11	6,000,000	
AIE NO. B105446	12	10,000,000	
AIE NO. B140760	13	12,000,000	
TOTAL		163,267,724	76,800,000

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	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	-	-
	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,887,740	2,311,228
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	1,005,020
Employer Contributions Compulsory national social security schemes	21,600	21,600
Total	2,909,340	3,337,848

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	2,366,400	1,765,000
Utilities, supplies and services	398,516	52,862
Communication, supplies and services	-	-
Domestic travel and subsistence	1,318,400	382,200
Printing, advertising and information supplies & services	144,900	87,676
Rentals of produced assets	-	-
Training expenses	1,475,700	311,000
Hospitality supplies and services	1,042,489	474,286
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	2,204,558	1,321,575
Other operating expenses	439,910	510
Routine maintenance – vehicles and other transport equipment	435,012	126,379
Routine maintenance – other assets	220,984	29,080
Fuel , oil & lubricants	500,000	800,000
Total	10,546,869	5,350,568

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	27,700,061	12,200,000
Transfers to secondary schools (see attached list)	26,464,388	23,000,000
Transfers to tertiary institutions (see attached list)	63,500,000	15,000,000
TOTAL	117,664,449	50,200,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	-	22,000,000
Bursary – tertiary institutions (see attached list)	-	10,242,000
Bursary – special schools (see attached list)	-	2,100,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	8,550,000	22,350,000
Sports projects (see attached list)	2,000,000	-
Environment projects (see attached list)	-	1,000,000
Emergency projects (see attached list)	7,000,000	7,420,000
Total	17,550,000	65,112,000

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul 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 Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

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9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
EQUITY BANK, SIAYA, A/C No. 0970261942309	15,349,955	752,889
Total	15,349,955	752,889
10B: CASH IN HAND		
Location 1	-	-
Total	-	-

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

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

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	-	-

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	752,889	47,953,305
Cash in hand	-	-
Imprest	-	-
Total	752,889	47,953,305

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 account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
TOTAL	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020-2021	2019-2020
	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	-	-

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	-	-

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	-	-
	-	-

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17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,015,515.00	575,656.00
Use of goods and services	5,837,150	7,394,969.00
Amounts due to other Government entities (see attached list)	14,535,762	56,864,388.00
Amounts due to other grants and other transfers (see attached list)	37,158,407	5,293,600.00
Acquisition of assets	-	-
Others (<i>specify</i>)	-	-
Funds pending approval	-	-
	58,546,834	70,120,613

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	50,942,966.27	16,693,231.85
	50,942,966.27	16,693,231.85

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.					

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

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				

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Paying Salaries of NG-CDFC Staff	1,015,515	575,656	Implementation on-going
Use of goods & services	Purchasing of Goods and Services in the Office	5,837,150	7,394,969	Implementation on-going
Amounts due to other Government entities				
Primary Schools				
Lwanda Primary School	Construction of two classrooms	2,000,000	-	Fund had not been disbursed to the PMC
Uluthe Primary School	Construction of two classrooms	2,000,000	-	Fund had not been disbursed to the PMC
Got Osimbo Primary School	Balance as a result of construction of two classrooms	150	-	Fund had not been disbursed to the PMC
Bar Atheng Primary School	Renovations of 3 (three) Classrooms by fitting lintel, Roofing, Plastering and painting	-	1,500,000	Implementation Complete
Lunjre Primary School	Construction of Two classrooms to completion	-	2,000,000	Implementation Complete

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Mudhiero Primary School	Construction of Two classrooms to completion	-	2,000,000	Implementation Complete
Rangala Girls Primary School	Construction of Two classrooms to completion	-	2,000,000	Implementation Complete
Sidindi Primary School	Construction of Two classrooms to completion	-	2,000,000	Implementation Complete
Suwinga Primary School	Renovations of 3 (three) Classrooms by fitting lintel, Roofing, Plastering and painting	-	1,500,000	Implementation Complete
Ulanda Primary School	Construction of Two classrooms to completion	-	2,000,000	Implementation Complete
Uluthe Primary School	Renovations of 3 (three) Classrooms by fitting lintel, Roofing, Plastering and painting	-	1,500,000	Implementation Complete
Umina Primary School	Construction of one classroom to completion	-	1,000,000	Implementation Complete
Uref Primary School	Drilling of a shallow well, Plastering and equipping	-	500,000	
Totals		4,000,150	16,000,000	
Secondary Schools				
Moi Uloma Secondary School	Construction of Twin laboratory	7,000,000	-	Fund had not been disbursed to the PMC
Got Osimbo Girls Secondary School	Completion of a dining hall	-	-	Fund had not been disbursed to the PMC
Ukalama secondary school	Re-allocations towards completion of two classrooms	(600,000)	-	Fund had not been disbursed to the PMC
Bar Atheng Secondary School	Completion of two classrooms by plastering, installation of fittings and painting.	-	700,000	Implementation Complete
Got Osimbo Girls Secondary School	Construction of a dormitory up to Roofing level with a capacity of twenty (20) rooms	-	3,864,388	Implementation Complete
Uguya High School	Purchasing of 1 (one) 51 seater School Bus	-	7,000,000	Implementation Complete
Uluthe Secondary School	Completion of A twin laboratory by Lintel installation, plastering, installation of fittings (Metallic Windows, Metallic Doors, wooden Doors, Blundering and Ceiling Boards), installation of work tops And plastering and painting of preparation room	-	4,900,000	Implementation Complete
Umina Secondary School	Purchasing of 1 (one) 51 seater School Bus	-	7,000,000	Implementation Complete
Totals		9,535,612	23,464,388	
Tertiary Institutions				
Ugunja National Youth	Drilling of a borehall	1,000,000		Fund had not been

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Service Outstation				disbursed to the PMC
Ugunja KMTC Campus	Purchasing of 1 (one) 51 seater College Bus	-	7,000,000	Implementation Complete
Ugunja KMTC Campus	Drilling of a bore hole and Equipping ksh. 4,000,000.00, Construction of one water Kiosk ksh. 800,000.00 within the compound and installation of water tower ksh.3,200,000.00	-	8,000,000	Implementation Complete
Ugunja Technical Training Institute	Construction of a Concrete poles fence with barbed wire and chain link across a 5 ha piece of land ksh.5, 500,000.00, watchman centric ksh. 1,200,000.00 And school gate ksh. 300,000.00	-	7,000,000	Implementation Complete
Total		1,000,000	22,000,000	
Amounts due to other grants and other transfers				
Security				
Ugunja Sub-County Offices	Construction of armoury	500,000		
Got Osimbo Assistant Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	-	300,000	Implementation Complete
North Uholo Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	-	300,000	Implementation Complete
Sikalame Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	-	300,000	Implementation Complete
West Uholo Chiefs offices	Construction of one (1) chiefs offices with a capacity of Seven (7) Rooms	-	2,000,000	Implementation Complete
Yiro East Assistant Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	-	300,000	Implementation Complete

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Total		500,000	3,200,000	
Emergency	Carrying out unforeseen occurrence in the constituency	-	-	Implementation in progress
Emergency	Carrying out unforeseen occurrence in the constituency	-	93,200.00	Implementation Complete
Totals		-	93,200.00	
Bursary and Social Security				
Secondary Schools	Paying of bursaries to needy students in secondary School	22,100,000.00	-	Funds not yet received
Tertiary Institutions/universities	Paying of bursaries to needy students in Tertiary School	10,173,000.00	-	Funds not yet received
Special schools	Paying of bursaries to needy students in Special School	2,100,000.00	-	Funds not yet received
Total		34,373,000	-	
Sports	Carrying out constituency Tournaments	2,000,000	-	Implementation Complete
Sports	Carrying out constituency Tournaments	-	2,000,000	Fund had not been disbursed to the PMC
Totals		2,000,000	2,000,000	
Sub-Total		58,546,834	70,120,613	
Acquisition of assets	-	-	-	
Others (specify)				
Sub-Total				
Funds pending approval	-			
Grand Total		58,546,834	70,120,613	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/19
Land		-	-	
Buildings and structures	15,781,654	-	-	15,781,654
Transport equipment		-	-	
Office equipment, furniture and fittings	1,360,000	-	-	1,360,000
ICT Equipment, Software and Other ICT Assets	200,000	-	-	200,000
Other Machinery and Equipment	5,581,530	-	-	5,581,530
Heritage and cultural assets		-	-	
Intangible assets		-	-	
Total	22,923,184	-	-	22,923,184

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
MUDHIERO SEC. SCHOOL	KCB Ugunja	1144257056	-	38,927
UGOLWE PRI. SCHOOL	KCB Ugunja	1109765371	-	250,348
NGUYA PRI. SHCOOL	KCB Ugunja	1125418311	-	426,333
SIKALAME PRI. SCHOOL	KCB Ugunja	1110987536	-	276,346
MAUNA PRI. SCHOOL	KCB Ugunja	1110306350	-	262,625
SIKANG PRI. SCHOOL	KCB Ugunja	1176488554	-	86,813
MASAMRA PRI. SHCOOL	KCB Ugunja	1134577036	-	28,717
ASANGO PRI. SCHOOL	KCB Ugunja	1117078655	-	124,627
BAR ATHENG PRI.	KCB Ugunja	1117033031	-	26,048
UREF PRI. SCHOOL	KCB Ugunja	1117031497	-	32,078
DENDYO PRI. SCHOOL	KCB Ugunja	1126422703	-	15,239
GOT OSIMBO PRI. SHCOOL	KCB Ugunja	1207282839	-	31,652
SIGOMERE PRI. SCHOOL	KCB Ugunja	1170644015	-	47,843
LOLWE PRI. SCHOOL	KCB Ugunja	1139559591	-	24,800
SIROR PRI. SCHOOL	KCB Ugunja	1134806604	-	82,249
UGUNJA TTI	KCB Ugunja	1263416225	-	3,040,399
SIMENYA PRI. SCHOOL	KCB Ugunja	1131883772	-	65,763
LWANDA PRI. SHCOOL	KCB Ugunja	1118026098	-	250,365
DAHO PRI. SCHOOL	KCB Ugunja	1110828403	-	31,535
ULawe PRI. SCHOOL	KCB Ugunja	1117096572	-	305,755
GINGA PRI. SCHOOL	KCB Ugunja	1109666543	-	30,368
OLOMA MURUMBA PRI. SCHOOL	KCB Ugunja	1171019513	-	250,938
SANGO PRI. SCOOOL	KCB Ugunja	1110 356919	-	26,522
RADUODI PRI. SCHOOL	KCB Ugunja	1108228712	-	26,606
UGUNJA DCC OFFICES	KCB Ugunja	1211252922	-	164,039
ULUTHE SEC. SCHOOL	KCB Ugunja	1169645895	-	2,823,678
ICHINGA PRI. SCHOOL	KCB Ugunja	1151779350	-	94,622
ST. PASCALIA NAYA PRI. SCHOOL	KCB Ugunja	1235257290	-	61,745
UGUNJA PRI. SCHOOL	KCB Ugunja	1125736623	-	101,331
RANGALA BOYS PRI. SCHOOL	KCB Ugunja	1117161072	-	118,311
SIMERRO PRI. SCHOOL	KCB Ugunja	1139251058	-	66,668
UMINA PRI. SCHOOL	KCB Ugunja	1178420795	-	16,906
HAWAGAYA PRI. SCHOOL	KCB Ugunja	1205180605	-	62,696
MADUNGU SEC. SCHOOL	KCB Ugunja	1133598927	-	880,400
SIDINDI SEC. SCHOOL	KCB Ugunja	1134806949	-	2,356
MOI ULOMA SEC. SCHOOL	KCB Ugunja	1117215164	-	201,726
YIRO EAST ASSISTANT CHIEFS OFFICE	KCB Ugunja	1258917599	-	231,685
MUNGAO ASSISTANT CHIEFS OFFICE	KCB Ugunja	1261858514	-	29,433
ASANGO WEST ASSISTANT CHIEFS OFFICE	KCB Ugunja	1257523562	-	199,007
GOT OSIMBO ASSISTANT CHIEFS OFFICE	KCB Ugunja	1257719122	-	50,260
UMINA POLICE POST	KCB Ugunja	1260132072	-	547,886
EAST UHOLO CHIEFS OFFICE	KCB Ugunja	1257446487	-	388,995
NGUNYA ASSISTANT CHIEFS OFFICE	KCB Ugunja	1270935518	-	1,561,596

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SIDIND POLICE STATION	KCB Ugunja	1257557122	-	3,000,355
MARKUNY PRI. SCHOOL	KCB Ugunja	1109525575	-	90,526
UGUNJA POLICE STATION	KCB Ugunja	1249836972	-	860
SIGOMERE POLICE STATION	KCB Ugunja	1169889794	-	1,978
MAYINGO PRI. SCHOOL	KCB Ugunja	1262668662	-	895
ULANDA PRI. SCHOOL	KCB Ugunja	1110885547	-	13,827
WANG OTONG PRI. SCHOOL	KCB Ugunja	1139251546	-	2,397
AMBIRA PRI. SCHOOL	KCB Ugunja	1134807139	-	37,212
ORAO PRI. SCHOOL	KCB Ugunja	1110860544	-	1,381
NINGA PRI. SCHOOL	KCB Ugunja	1182460232	-	74,972
UGUNJA CDF OFFICE	KCB Ugunja	1129913198	-	251
LUOKA PRI. SHOOOL	KCB Ugunja	1110602065	-	82,347
SIDINDI PRIMARY SCHOOL	KCB Ugunja	1118423577	134,176.50	-
ULUTHE PRIMARY SCHOOL	KCB Ugunja	1111264007	192,056.40	-
BAR ATHENG PRIMARY SCHOOL	KCB Ugunja	1117033031	171,164	-
LUNJRE PRIMARY SCHOOL	KCB Ugunja	1156596090	474,736	-
SUWINGA PRIMARY SCHOOL	KCB Ugunja	1170644112	515,556.50	-
ULANDA PRIMARY SCHOOL	KCB Ugunja	1110885547	173,258	-
UMINA PRIMARY SCHOOL	KCB Ugunja	1178420795	146,698.80	-
MUDHIERO PRIMARY SCHOOL	KCB Ugunja	1235470288	117,794	-
GINGA PRIMARY SCHHOL	KCB Ugunja	1109666543	2,022,222.55	-
RANGALA GIRLS PRIMARY SCHOOL	KCB Ugunja	1281199974	181,610	-
UREF PRIMARY SCHOOL	KCB Ugunja	1117031497	251,633.50	-
LUOKA PRIMARY SCHOOL	KCB Ugunja	1110602065	41,449.20	-
MAYINGO PRIMARY SCHOOL	KCB Ugunja	1262668662	173,745	-
ORAO PRIMARY SCHOOL	KCB Ugunja	1110860544	191,006	-
OGEDA PRIMARY SCHOOL	KCB Ugunja	1226386105	1,000,970	-
MASAMRA PRIMARY SCHOOL	KCB Ugunja	1134577036	2,010,358.50	-
ST. PASKALIA NAYA PRIMARY SCHOOL	KCB Ugunja	1235257290	2,018,989.00	-
ULawe PRIMARY SCHOOL	KCB Ugunja	1117096572	2,058,213.05	-
UGENYA HIGH SCHOOL	KCB Ugunja	1124999957	779	-
UMINA MIXED SECONDARY SCHOOL	KCB Ugunja	1110708815	31,483	-
ULUTHE SECONDARY SCHOOL	KCB Ugunja	1169645895	1,275.5	-
BAR ATHENG SECONDARY SCHOOL	KCB Ugunja	1203628579	83,954	-
GOT OSIMBO GIRLS SECONDARY SCHOOL	KCB Ugunja	1125338725	175,030.80	-
NYASANDA COMMUNITY HIGH SCHOOL	KCB Ugunja	1286989787	7,000,000	-
NYASANDA PRIMARY SCHOOL	KCB Ugunja	1116902621	251,530	-
UGUNJA NYS OUTSTATION	KCB Ugunja	1277515840	12,381,063	-
UGUNJA MEDICAL TRAINING COLLEGE	KCB Ugunja	1266057285	10,323,871.32	-
UGUNJA TECHNICAL TRAINING ISTITUTE	KCB Ugunja	1234555808	2,007,394.25	-
NGUNYA PRIMARY SCHOOL	KCB Ugunja	1125418311	1,001,963	-
MURUMBA YIRO PRIMARY SCHOOL	KCB Ugunja	1133471285	1,000,749.50	-
NGUNYA ASS. CHIEF OFFICE	KCB Ugunja	1270935518	401,073	-
SIKALAME PRIMARY SCHOOL	KCB Ugunja	1110987536	802,043.80	-

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LUKONGO LUDUHA PRIMARY SCHOOL	KCB Ugunja	1110728271	250,305.60	-
UKALAMA PRIMARY SCHOOL	KCB Ugunja	1117029476	109,431.30	-
RANGALA ASS. CHIEFS OFFICE	KCB Ugunja	1283448114	1,880.00	-
UMINA AP POST	KCB Ugunja	1260132072	479,056.60	-
WEST UHOLO CHIEFS OFFICE	KCB Ugunja	1281307106	213,307	-
SIKALAME ADMIN CENTRE	KCB Ugunja	1170150993	340	-
NORTH UHOLO CHIEFS OFFICE	KCB Ugunja	1208420135	0.00	-
SIMENYA ASS. CHIEFS OFFICE	KCB Ugunja	1284797783	2,000,000	-
GOT OSIMBO ASSISTANT CHIEFS OFFICE	KCB Ugunja	1257719122	46,667.90	-
YIRO EAST ASS. CHIEFS OFFICE	KCB Ugunja	1258917599	2,091.70	-
UGUNJA CDF SPORTS	KCB Ugunja	1163914320	1,190	-
MUDAHO PRIMARY SCHOOL	KCB Ugunja	1169700098	250,672	-
SIJIMBO PRIMARY SCHOOL	KCB Ugunja	1182653936	250,177	-
Total			50,942,966.7	16,693,232

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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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Summary, statement of appropriation</p> <p>Included in the summary of the statement of appropriation and recurrent development of the final receipt of kshs. 102,008,905 is an adjustment of ksh. 15,198,560 which is however not supported by any documentary evidence.</p> <p>Consequently, the accuracy and validity of the financial statement could not be ascertained.</p>	<p>Ksh. 11,379,310 which was allocation for the current financial year 2017/2018 according to the allocation table attached had not been received and therefore it has been deducted from the adjustment column of the appropriation statement leaving a total figure of ksh. 3,811,250 balances brought forward from the financial year 2017/2018 Plus Un-Funded amount of ksh. 8,000 for the financial year 2017/2018 which translates to a total of ksh. 3,819,250.</p>	NGCDFC	Resolved	
	Emphasis of Matter				
1	<p>Project Implementation Status</p> <p>Ugunja NG-CDF was to implement a total of 57 projects during the year 2017/18 valued at Kshs.82,647,413. Further analysis indicated that four (4) projects valued at Kshs.4,677,027 were not started; five (5) projects valued Kshs.10,609,600 were ongoing; and forty eight(48) projects valued Kshs.67,360,786 were completed as analyzed in the table below;</p>	<p>Currently the five (5) projects that were on-going at the time of audit have been completed and awaiting for the official handing over and the four (4) projects allocated kshs. 4,677,027 which were not yet started at the time of audit have been re-allocated to other projects.</p>	NGCDFC	Resolved	
2	<p>Budgetary, Control Performance</p> <p>Ugunja NG-CDF incurred a total expenditure of Kshs.82,583,354 against a budgetary allocation of Kshs.102,008,905 representing 81% budget absorption as</p>	<p>NG-CDFC only disburses funds to projects once they have been released by the NG-CDF Board which at the end of the financial year stood at 81% and therefore if 100% absorption is to be achieved then NG-CDF Board should release all the funds before</p>	NG-CDF BOARD	Resolved	

**Ugunja Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	tabulated below: Consequently, failure to utilize all funds as budgeted for or as disbursed is an indication that programs and activities are not implemented as planned hence not achieving the intended objectives of improving delivery of service to the resident of Ugunja Constituency	the end of the financial year which did not take place in the current financial year 2017/2018.			
	Report on lawfulness in use of public money				
1.0	<p>Irregular Procurement</p> <p>Included in the expenditure of Kshs.5,480,405 under use of goods and services is Kshs.974,568 paid to M/S Wells Oil Ltd in respect to the supply of fuel. However, it was not possible to ascertain how the firm was identified for the tender since the procurement process used to identify the firm was not made available for audit scrutiny.</p> <p>Consequently, the authenticity and propriety of the above expenditure amounting Kshs. 974,568 cannot be confirmed.</p> <p>Ugunja NG-CDF awarded M/S Japco General Contractors tender to construct Ugunja Sub County Offices at a contract sum of Kshs.8,931,756 which was later revised upwards through a variation order by Kshs.2,200,000 resulting to a total contract amount of Kshs.11,131,756. A request for quotation was used and six (6) firms bid for the tender and quoted as follows; However, the following</p>	<p>The management in the year 2015 floated quotations and identified the company through a competitive process having looked at the availability of fuel throughout the year then later an agreement with wells co. was signed which could only be revoked through minute resolution of the committee and to date the committee has not revoked the agreement</p>	NG-CDFC	Resolved	

**Ugunja Constituency,
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>unsatisfactory issues were observed; The expenditure of Kshs.11,131,756 was beyond the maximum allowable for request for quotations under class C of the threshold matrix and therefore open tender should have been appropriate for this procurement.</p> <p>Both 3% and 6% withholding Tax and VAT respectively were not deducted and submitted to KRA as required.</p> <p>The 10% retention was also not deducted</p> <p>In the circumstances, the value for money and the regularity of the expenditure of Kshs. 11,131,756 could not be ascertained.</p>	<p>The Project management committee used open tender method and they were guided by the prequalified list of the financial year 2016/2017 which was advertised in the local dailies. The project management committee is not tax withholding agents and therefore they could not make deduction being the implementers of the project. The project management committee retained some funds which were later paid after the lapse of six months from the date of the last certificate of payment and We also would want to vouch that value for money was achieved and the payments were not irregular.</p>			
2.0	<p>Emergency Expenditure Included in other grants and other payments figure of Kshs.39,510,678 is Kshs.3,968,965 out of a total of Kshs.4,568,966 that Ugunja NG-CDF paid to three (3) Primary Schools under emergency funds as indicated in the table below. However, there was no proper proof</p>	<p>The projects were emergency in nature since there were health reports presented to the NG-CDFC by the heads of those institutions before they made decision to implement those projects using the emergency vote because failure to comply would mean those institutions would be closed indefinitely denying our pupils the opportunity to</p>	NG-CDFC	Resolved	

*Ugunja Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designatio n)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>that these expenditures qualify to be paid using emergency allocation as required by section 8(3) of the National Government Community Development Act, 2015) which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.</p> <p>Consequently, the value of money and the regularity of the above expenditure of Kshs. 3,968,965 could not be ascertained.</p>	<p>study. We also would want to vouch that value for money was achieved and the payments were not irregular.</p>			