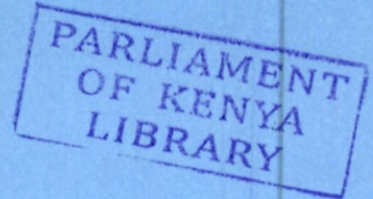



REPUBLIC OF KENYA



Enhancing Accountability

REPORT



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	07 AUG 2024
	DAY: Afternoon
TABLED BY:	Deputy Leader of Majority Party
CLERK-AT THE-TABLE:	Benson Inzou

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KITUTU CHACHE SOUTH CONSTITUENCY**

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

APR 1971



KITUTU CHACHE SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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I. Acronyms and Abbreviations

CSR-Corporate Social Responsibility

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

ARMC -Audit Risk Management Committee

(OSHA) - Occupational Safety and Health Act

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. 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 Kitutu Chache South 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)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 202X and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Edwin Kimutai Rutto
2.	Sub-County Accountant	Dominic Nyabuto Otieno
3.	Chairman NGCDFC	Alphonse Omae Onsongo
4.	Member NGCDFC	Walter Nyakundi Kiyondi

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kitutu Chache South 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.

(d) Kitutu Chache South Constituency NGCDF Headquarters

P.O. Box 2223
NG-CDF Building-Mosocho
Next Assistant County Commissioner's Office-Mosocho Division
KISII –KENYA

(e) Kitutu Chache South Constituency NGCDF Contacts

Telephone: (254) 720-140-374
E-mail: cdfkitutuchachesouth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(a) Kitutu Chache South Constituency NGCDF Bankers

1. Co-operative Bank

Kisii Branch

P.O.Box

KISII

2. Family Bank

Kisii Branch

P.o Box

KISII

(b) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(c) Principal Legal Adviser

The Attorney General

State Law Office

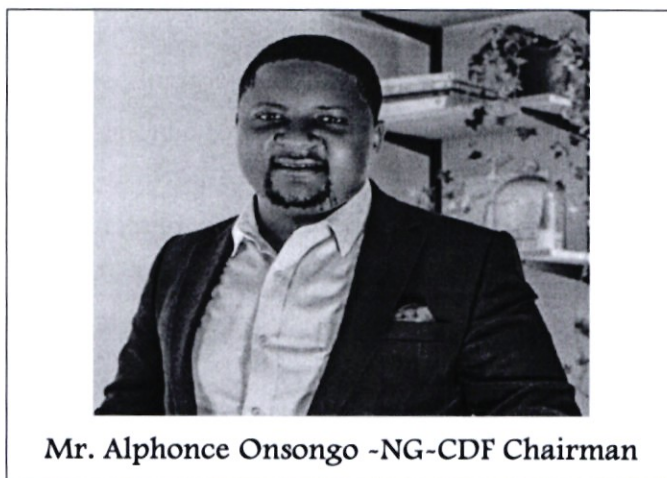
Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

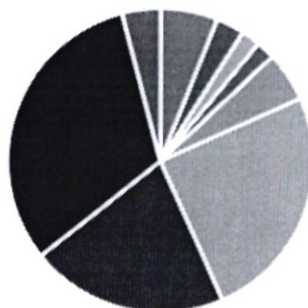
III. NG-CDFC Chairman’s Report



The financial year 2022/2023 was a transition year following the 2022 election year, a new committee had to be constituted as required by NG-CDF Act 2015, following gazettment of new committee members handing /taking over in January 2023. The old committee guided the new committee on all necessary transition information which had some many political activities. During the year, government allocated **Ksh. 145,087,603**, to Kitutu Chache South Constituency. The NG-CDF Committee started by budgeting for the 2022-2023 financial budget which was broken down as follows: funds and was apportioned to various sectors as shown below;

KITUTU CHACHE SOUTH APPROPRIATION PER SECTOR

Allocation(Kshs)



- Administration/Recurrent
- Sports Activities
- Emergency Fund
- Primary Schools Projects
- Security
- Monitoring and Evaluation/Capacity Building
- Environmental Activities
- Bursary
- Secondary School Projects

As depicted above bursary took a lion share of funds, this allocation was based on the constituency needs and public participation report which was done in January 2023. The bursary was apportioned in two categories i.e. Secondary and Tertiary bursary.

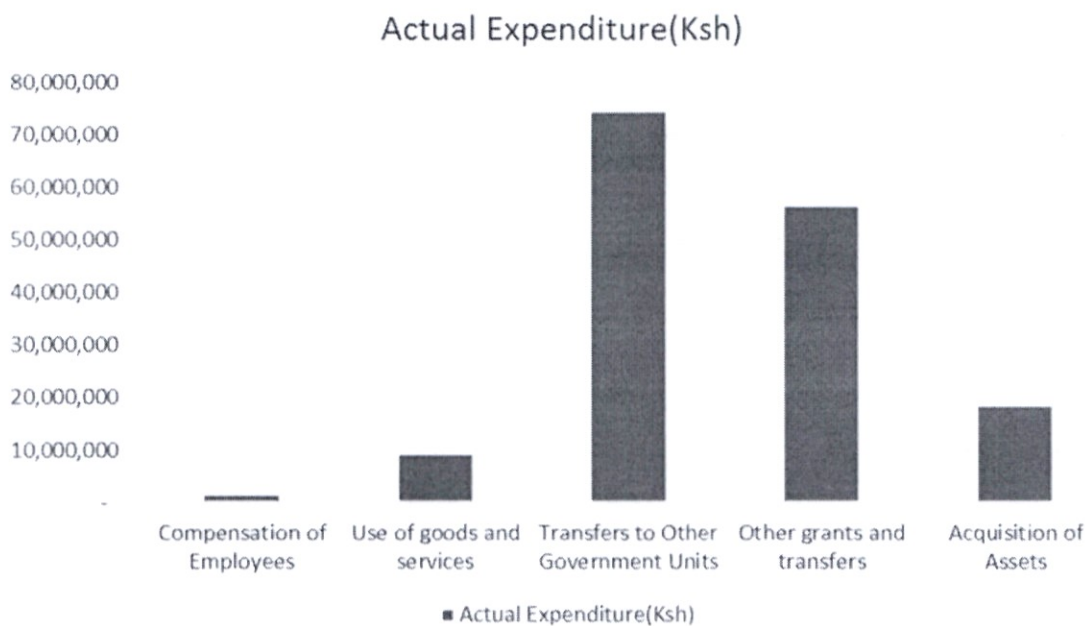
The constituency received 60% of the total allocation that is Ksh. 87,000,000. The constituency was able to award bursary to needy students using the first allocation of funds received. Additionally pending project relating to previous years balances were implemented.

To ensure that the NG-CDF do their work effectively the NG-CDF Board organized training which was done in April 2023. This training helped the committee to performed their duties as per the regulations

The NG-CDF Committee prioritized the funds which were received and gave Bursary Priority and administration and recurrent expenditure. Most of the projects done were satisfactory. The new team approved to use full contract method of project implementation in implementing projects. The method was approved because it is easy to manage and all responsibility is moved to contractor to ensure that project is well done, it also reduces the risk of substandard work since contractors are completely identified.

The funds received during the year were spent in the votes as depicted in the following votes

**Kitutu Chache South Constituency
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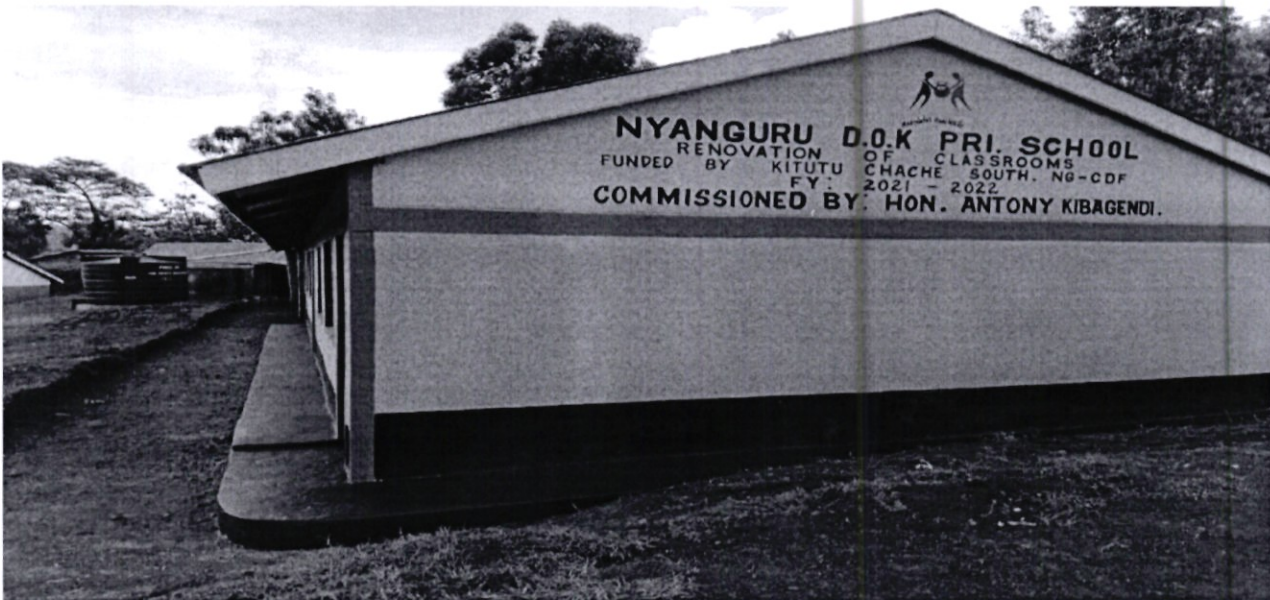
Some of the projects implemented during the year are represented pictorially as below;



KITUTU CHACHE SOUTH NG CDF PROJECT-10 CLASSROOMS CONSTRUCTED BY NG-CDF AT NYANGURU SECONDARY SCHOOL



KITUTU CHACHE SOUTH NG CDF PROJECT-3 CLASSROOMS CONSTRUCTED BY NG-CDF AT NYACHOGOCHI PRIMARY SCHOOL



KITUTU CHACHE SOUTH NG CDF PROJECT-2 CLASSROOMS CONSTRUCTED BY NG-CDF AT NYANGURU PRIMARY SCHOOL

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects.

The major emerging issue which arose during the year was the post COVID 19 Pandemic experience, this pandemic affected the construction dimension of some the school infrastructure,

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i.e in construction, social distances had to be considered thereby affecting budgeting and project costing.

The major challenge faced by Kitutu Chache South NG-CDF Committee during the year was shortage of technical person in construction at the county level which led to delayed preparation of construction documents i.e., Bill of Quantities, drawings as well as close supervision of projects by experts, this challenged sometimes led to poor workmanship in some projects.



.....
Alphonse Onsongo
CHAIRMAN NGCDF COMMITTEE

7. Statement Of Performance Against Predetermined Objectives for FY2022/23

Introduction

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

The key development objectives of *Kitutu Chache South Constituency* plan 2022-2027 are to:

- a) To Improve Access to and Quality of Education in the Constituency
- b) To improve security in the Constituency
- c) To improve, coordinate and facilitate infrastructural development in Constituency
- d) To reduce poverty and inequality in the Constituency
- e) To mobilize Resources for Development in the Constituency
- f) To Build Capacity to Implement Development Projects in the Constituency
- g) To promote sports activities and prevent environmental degradation in the Constituency

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	- number of usable physical infrastructure build	In FY 2022/2023 -we increased number of classrooms by 1. - Bursary beneficiaries at all levels were as per

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		transition to secondary schools and tertiary institutions	in primary, secondary, and tertiary institutions - number of bursaries beneficiaries at all levels	the attached schedules
Security	To improve security in the Constituency	Improved security in the constituency	Number of usable security facilities.	In 2022/2023 four additional administrative/security offices were built during the year.
Environment	To prevent environmental degradation in the Constituency	Green and sustainable environment	Number of environmental projects constructed during the year	Four springs were protected and fetching points constructed during the year.
Sports	To promote sports activities in the Constituency	Youth participation in sports.	Number of teams participating in tournament	No sports tournament was done during the year.

V. Environmental and Sustainability Reporting

Kitutu Chache South 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 Kitutu Chache South NG-CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kitutu Chache South 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 post 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 2021/2022 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Public participation in the identification and implementation of environmental projects

The Kenyan Constitution encourages public participation in the management, protection and conservation of the environment. The NGCDF Board and NG-CDFCs are therefore required to involve the public in the identification and implementation of environmental projects to ensure maintenance and sustainability.

Eligible projects under the NG-CDF Environment programme

1. Projects falling within the National Government functions such as;
 - (i) **Fishing, hunting and gathering;**
 - (a) Construction of fishing bays and bandas to ensure cleanliness of the environment and ease of waste management;
 - (b) Construction of Eco-san toilets along the beaches
 - (c) Installation of bee hives for public institutions which helps in pollination and reproduction of plants
 - (d) Training of fisheries community on the best fishing and hunting practices
 - (ii) **Protection of animals and wildlife;**
 - (a) Partnering with relevant Government Departments in fencing national parks and gazetted forests.
 - (b) Partnering with relevant Government departments in sensitizing the community against poaching

(iii) Water protection, securing sufficient residual water, and the safety of dams;

(a) Protection of springs, dams and water reservoirs

(b) Building of gabions, training of rivers, desilting of dams, fencing of dams and water catchment areas

(iv) Energy policy;

(a) Installation of biogas and energy saving devices in public institutions

(b) Sensitizing the community on energy saving policies

(c) Carrying out energy requirements surveys

During the year Kitutu Chache South Protected four water springs.

3. Employee welfare

We invest in providing the best working environment for our employees. Kitutu Chache South 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. Kitutu Chache South 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. Kitutu Chache South constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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-

Kitutu Chache South 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-

Kitutu Chache South 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

Kitutu Chache South Constituency

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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.

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



.....
Edwin K. Rutto

Fund Account Manager

VI. Statement of Governance

The National Government Constituency Development Fund Committee is established under Section 43 of The National Government Constituencies Development Fund Act of 2015. The composition of the committee includes;

- (a) the national government official responsible for co-ordination of national government functions;
- (b) two men each nominated as per the guidelines one of whom shall be a youth at the date of appointment;
- (c) two women nominated as per the guidelines one of whom shall be a youth at the date of appointment;
- (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency as per the guidelines
- (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- (g) one member co-opted by the Board in accordance with Regulations made by the Board.

Operation of the committee

The quorum of the Constituency Committee shall be one half of the total membership. The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

Meetings

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. Eighteen Meetings were held during the year including sub-committees.

Sub-Committees

Kitutu Chache South National Government Constituencies Development Fund has formed the following Sub – Committees

1. Bursary Sub-Committee
2. Complaints Handling Sub-Committee
3. Monitoring and Evaluation Sub-Committee

Induction and Training of NG-CDF Committee

Kitutu Chache South NG-CDF Committee were trained on their function in April 2023 in a nationwide training organized by NG-CDF Board.

Some of the functions of NG-CDF Committee members are enumerated below:

- To receive returns from project management committees
- To maintain database of project management committees and reports and from the respective committees
- To record the names of all signatories of the accounts of PMCs as communicated to the constituency committee
- To receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the fund at the constituency level.

Removal from office

A member of the Constituency Committee may be removed from office on any one or more of the following grounds;

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

A decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. A vacancy arising as a result of the removal of a member under subsection shall be filled in the manner set out in the Act and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

Dissolution of Constituency Committee

A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution;

- (a) serious violation of the Constitution or any other law including a contravention of Chapter Six;
- (b) gross misconduct, whether in performance of the member's or office holder's functions or otherwise;
- (c) incompetence;
- (d) bankruptcy; or
- (e) any other cause as may be deemed justifiable.

I. Environmental and Sustainability Reporting

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

5. Environmental performance

- Committee made a proposal to plan 1000 seedling of Kei Apple in 10 schools in the financial 2022-2023 once approved the committee will sensitize students on importance of trees and taking care of trees.
- Committee sensitize youth on drug abuse public baraza and during training
- During the annual sports activities committee invited several sponsor to sensitize members on environmental conservation and drug abuse

6. Employee welfare

We invest in providing the best working environment for our employees. Kitutu Chache South 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. Kitutu Chache South 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.

Market place practices-

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

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

NGCDF has put in efforts to ensure:

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

7. Community Engagements-

Kitutu Chache South 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.

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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.

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



.....
Edwin K. Rutto
Fund Account Manager.

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

The Accounting Officer in charge of the NGCDF- Kitutu Chache South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kitutu Chache South 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 Kitutu Chache South 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

***Kitutu Chache South Constituency
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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- Kitutu Chache South Constituency financial statements were approved and signed by the Accounting Officer on 30.09 2023.



.....
Alphonse Onsongo
Chairman – NGCDF Committee



.....
Edwin K. Rutto
Fund Account Manager

REPUBLIC OF KENYA



Enhancing Accountability

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NAIROBI

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 - Kitutu Chache South Constituency set out on pages

1 to 50, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information 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 - Kitutu Chache South Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects bank balances of Kshs.44,541,016 as disclosed in Note 12 to the financial statements. The balance comprises of amounts of Kshs.14,541,016 and Kshs.30,000,000 both held in commercial bank accounts. However, cash book, bank reconciliation statement and Board of Survey report to support the amounts of Kshs.30,000,000 were not provided for audit.

Further, the bank reconciliation statement for the bank account with a balance of Kshs.14,541,016 reflects unrepresented cheques totalling Kshs.6,186,230 out of which, cheques amounting to Kshs.168,750 were stale and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.44,541,016 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.73,759,851 as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.35,474,000 and Kshs.23,710,995 disbursed to secondary schools and tertiary institutions respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.59,184,995 could not be confirmed.

3. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.1,040,184. However, the cashbooks, bank

reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.1,040,184 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 - Kitutu Chache South Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final budget and actual on comparable basis amounts of Kshs.220,619,966 and Kshs.162,532,363 respectively resulting to an under-funding of Kshs.58,087,603 or 26% of the budget. Similarly, the Fund spent Kshs.117,991,347 against actual receipts of Kshs.162,532,363 resulting to an under-utilization of Kshs.44,541,016 or 27% of receipts.

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

2. Late Disbursement of Funds

The statement of receipts and payments reflects transfers from NGCDF Board amounts of Kshs.87,000,000 which includes an amount of Kshs.42,000,000 received by the Fund in the month of June, 2023.

In addition, other transfers amounting to Kshs.58,087,603 were disbursed by the Board in 2023/2024 out of the total budgeted funds for the 2022/2023 financial year.

The late Exchequer releases could have adversely effected the implementation of the planned activities and projects.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the previous year audit report, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public

Resources and Report on Effectiveness of Internal Controls and Governance. However, Management has not resolved the issues or provided any explanation for failure to implement audit recommendations.

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. Delays in Implementation of Projects

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.24,402,000 transferred to primary and secondary schools as disclosed in Note 7 to the financial statements. The amount includes an amount of Kshs.12,200,000 disbursed to fourteen (14) school projects towards construction and renovation of twenty-eight (28) classrooms, construction of one (1) administration block and completion of two (2) laboratories. However, physical inspections in the month of March, 2024 revealed that one of the laboratories was not complete, finishing works had not started, the contractor was not on site and the school had exhausted the funds. The other laboratory had pending tiling works and taps.

In addition, fourteen (14) of the classrooms had cracked floors, nine (9) had cracked or vandalized window panes while paint works and labeling had not been done in four (4) and six (6) of the classrooms respectively.

Further, four (4) of the incomplete school projects had exhausted their funds and contractors of three (3) schools had abandoned their sites.

In the circumstances, value for money on the expenditure of Kshs.12,200,000 could not be confirmed.

2. Irregular Utilization of Emergency Fund

The statement of receipts and payments reflects an amount of Kshs.73,759,851 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes emergency projects amount of Kshs.2,190,000 out of which Kshs.700,000 was utilized for the completion of classrooms at St. Patrick Secondary School while Kshs.260,000 was utilized in the completion of a dormitory at St. Mary's Primary School. However, these expenditures were not emergency in nature and contravened Section 8(3) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

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

Anomalies in Procurement of Furniture at Nyatieko Chief's Camp

The statement of receipts and payments reflects an amount of Kshs.73,759,851 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes Kshs.9,652,600 for security projects out of which, an amount of Kshs.450,000 was disbursed to Nyatieko Project Management Committee (PMC) for procurement of furniture. However, no specifications were given on the designs and type of the furniture and furniture amounting to Kshs.450,000 was purchased in cash contrary to Section 107 of the Public Procurement and Asset Disposal Act, 2015 and the items purchased were not taken on charge.

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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether effective processes and systems of internal controls, risk management and overall governance was maintained 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 June, 2024

Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Statement of Receipts and Payments for the Year Ended 30th June 2023

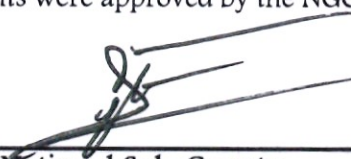
	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	181,277,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		87,000,000	181,277,758
Payments			
Compensation Of Employees	4	2,990,505	1,712,380
Committee expenses	5	1,976,000	2,453,500
Use Of Goods and Services	6	9,161,115	9,419,710
Transfers To Other Government Units	7	24,402,000	75,663,000
Other Grants and Transfers	8	73,759,851	55,537,089
Acquisition Of Assets	9	2,232,887	18,596,566
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		114,522,358	163,382,245
Surplus/(Deficit)		(27,522,358)	17,895,513


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

The Constituency financial statements were approved by the NGCDFC on 30.09. 2023 and signed by:


 Fund Account Manager

Edwin K. Rutto


 National Sub-County
 Accountant
 Name: Dominic Nyabuto
 Otieno
 ICPAK M/No:12595


 Chairman NG-CDF
 Committee
 Alphonse Onsongo

Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

XI. Statement Of Assets and Liabilities As At 30th June, 2023


	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	44,541,016	75,532,363
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		44,541,016	75,532,363
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		44,541,016	75,532,363
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	3,468,989
Gratuity	14B	-	-
Total Financial Liabilities		-	3,468,989
Net Financial Assets		44,541,016	72,063,374
Represented By			
Fund Balance B/Fwd	15	72,063,374	51,714,361
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(27,522,358)	20,349,013
Net Financial Position		44,541,016	72,063,374


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

The Constituency financial statements were approved by NGCDF on 30.09.2023 and signed by:


 Fund Account Manager

Edwin K. Rutto


 National Sub-County
 Accountant
 Name: Dominic Nyabuto
 Otieno
 ICPAK M/No: 12595


 Chairman NG-CDF
 Committee
 Alphonse Onsongo

*Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	181,277,758
Other Receipts	3	-	-
Total Receipts		87,000,000	181,277,758
Payments			
Compensation Of Employees	4	2,990,505	1,712,380
Committee Expenses	5	1,976,000	-
Use Of Goods and Services	6	9,161,115	9,419,710
Transfers To Other Government Units	7	24,402,000	74,563,000
Other Grants and Transfers	8	73,759,851	56,637,089
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		112,289,471	142,332,179
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/ (Increase) In Accounts Receivable	17	-	-
Increase/ (Decrease) In Accounts Payable	18	(3,468,989)	1,976,455
Net Cash Flow from Operating Activities		(28,758,460)	40,922,034
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(2,232,887)	(18,596,566)
Net Cash Flows from Investing Activities		(2,232,887)	(18,596,566)
Net Increase In Cash And Cash Equivalent		(30,991,347)	22,325,468
Cash & Cash Equivalent At Start Of The Year	12	75,532,363	53,206,895
Cash & Cash Equivalent At End Of The Year		44,541,016	75,532,363

Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 30.09.2023 and signed by:




Fund Account Manager

Edwin K. Rutto



National Sub-County
Accountant
Name: Dominic Nyabuto
Otieno
ICPAK M/No: 12595



Chairman NG-CDF
Committee
Alphonse Onsongo

*Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XIII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	b		c=a+b	d	e=c-d	f=d/c %
	FY 2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2022/2023	FY 2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	145,087,603	75,532,363	-	220,619,966	162,532,363	58,087,603	73.7%
Proceeds From Sale of Assets		-	-	0	-	-	0.0%
Other Receipts		-	-	0	-	-	#DIV/0!
Totals	145,087,603	75,532,363	-	220,619,966	162,532,363	58,087,603	73.7%
Payments							
Compensation Of Employees	1,863,820	1,395,881	-	3,259,701	2,990,505	269,196	91.7%
Committee Expenses	2,012,000	-	-	2,012,000	1,976,000	36,000	98.2%
Use Of Goods and Services	9,182,064	27,068	-	9,209,132	9,161,115	48,017	99.5%
Transfers To Other Government Units	62,150,000	38,190,000	-	100,340,000	24,402,000	75,938,000	24.3%
Other Grants and Transfers	66,428,843	26,691,670	-	93,120,513	73,759,851	19,360,662	79.2%
Acquisition of Assets		5,758,755	-	5,758,755	2,232,887	3,525,868	38.8%
Oversight Committee Expenses	1,450,876	-	-	1,450,876	-	1,450,876	0.0%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	0.0%

Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	b		c=a+b	d	e=c-d	f=d/c %
	FY 2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2022/2023	FY 2022/2023		
Receipts							
Retention Paid		3,468,989			3,468,989		
Funds Pending Approval**							
Totals	145,087,603	75,532,363	-	220,619,699	117,991,347	102,628,619	53.5%

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

Explanatory Notes.

(a) The vote utilizations of less than 100% were because of delay in receiving funds from the NG-CDF Board.


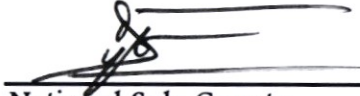

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	102,628,619
Less undisbursed funds receivable from the Board as at 30 th June 2023	58,087,603
	44,541,016
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-

Kitutu Chache South Constituency
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Annual Report and Financial Statements for The Year Ended June 30, 2023

Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	44,541,016

The Constituency financial statements were approved by NG CDFC on 30.09.2023 and signed by:

 _____ Fund Account Manager Edwin K. Rutto	 _____ National Sub-County Accountant Name: Dominic Nyabuto Otieno ICPAK M/No: 12595	 _____ Chairman NG-CDF Committee Alphonse Onsongo
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XIV. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

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			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,863,820	1,395,881	-	3,259,701	2,990,505	269,196
1.2 Committee allowances	1,128,000	-	-	1,128,000	1,120,000	8,000
1.3 Use of goods and services	5,713,436	-	-	5,713,436	5,700,000	13,436
Sub-total	8,705,256	1,395,881	-	10,101,137	9,810,505	290,632
2.0 Monitoring and evaluation						
2.1 Capacity building	2,106,628	27,069	-	2,133,697	2,121,115	12,582
2.2 Committee allowances	904,000	-	-	904,000	856,000	48,000
2.3 Use of goods and services	1,342,000	-	-	1,342,000	1,340,000	2,000
Sub-total	4,352,628	-	-	4,379,697	4,317,115	62,582
3.0 Emergency						
		328,742	-	328,742		328,742
Gesarara Primary school		-	-	300,000	300,000	-

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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			
	300,000					
Kiogo Primary school	300,000	-	-	300,000	300,000	-
Mosocho CDF office	300,000	-	-	300000	300,000	-
Riotero primary	60,000	-	-	60,000	60,000	-
Kitutu Central police station	150,000	-	-	150,000	150,000	-
Township Chiefs camp	70,000	-	-	70,000	70,000	-
Nyanguru Secondary secondary school	50,000	-	-	50,000	50,000	-
St. Marys Primary school – Mosocho	260,000	-	-	260,000	260,000	-
Keoroc	687,931	-	-	687,931	687,931	-
Comm Vat	12,069	-	-	12,069	12,069	-
3.5 Unutilised	5,446,190	-	-	5,446,190	-	5,446,190
Total	7,636,190	328,742		7,964,932	2,190,000.00	5,774,932
Sub-total						
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-

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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			
4.2 Secondary Schools	24,000,000	12,843,573	-	36,843,573	35,474,000	1,369,573
4.3 Tertiary Institutions	19,489,150	1,400,821	-	20,889,971	23,710,995	(2,821,024)
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-
Sub-total	43,489,150	14,244,394	-	57,733,544	59,184,995	(1,451,451)
5.0 Sports						
5.1 Constituency sports tournament	2,901,752	90,555	-	2,992,307	-	2,992,307
Sub-total	2,901,752	90,555	-	2,992,307	-	2,992,307
6.0 Environment						
Kanyimbo Secondary School	700,000	-	-	700,000	-	700,000
Kianyabinge Primary School	700,000	-	-	700,000	-	700,000
Nyosia Primary School	700,000	-	-	700,000	-	700,000
Mwechobori Water Spring	-	456,963	-	456,963	456,963	-
Siara Water Spring	-	456,963	-	456,963	456,963	-
Nyamatuta Water Spring	-	456,963	-	456,963	456,963	-
Nyamondo Water Spring	-	456,963	-	-	456,963	-

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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			
				456,963		-
Mosocho Spring Protection	-	456,963	-	456,963	456,963	-
Bonyagatanyi Water Spring	-	456,963	-	456,963	447,441	9,522
Gesoni Water Spring	-	776	-	776	-	776
Moringate Water Spring	-	776	-	776	-	776
Nyamataro Water Spring	-	776	-	776	-	776
Keore Spring	-	892	-	892	-	892
Nyamagoma Water Spring	-	892	-	892	-	892
Nyanguru Water Spring	-	776	-	776	-	776
Matieko Spring Protection	-	3	-	3	-	3
Riotoigo Spring Protection	-	963	-	963	-	963
Kioge Spring Protection	-	3	-	3	-	3
Sub-total	2,100,000	2,747,634	-	4,847,634	2,732,256	2,115,378
7.0 Primary Schools Projects (List all the Projects)						

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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			
Daraja Mbili Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Gesarara Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Iranda Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Ititi Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Kanunda Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Kanyimbo Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Kiamwasi Primary School	300,000	-	-	300,000	-	300,000
Kiongongi Primary School	1,000,000	-	-	1,000,000	-	1,000,000
Kisii Special School	1,200,000	-	-	1,200,000	-	1,200,000
Moneke Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Mwechobori Primary School	1,200,000	-	-	1,200,000	-	1,200,000
Nyabiyongo Primary School	3,600,000	-	-	3,600,000	-	3,600,000
Nyakeogiro Primary School	1,500,000	-	-	1,500,000	-	1,500,000
Nyamondo Primary School	1,400,000	-	-	1,400,000	-	1,400,000

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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			
Nyamorenjo Primary school	1,200,000	-	-	1,200,000	-	1,200,000
Nyanchogochi Primary School	300,000	-	-	300,000	-	300,000
Nyankongo Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Ongicha Primary School	6,000,000	-	-	6,000,000	-	6,000,000
Riangoko Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Riotero Primary School	1,400,000	-	-	1,400,000	-	1,400,000
Siara Primary School	1,400,000	-	-	1,400,000	-	1,400,000
St. Josephs Nyabururu Primary School	1,700,000	-	-	1,700,000	-	1,700,000
Bototo Primary School	300,000	-	-	300,000	-	300,000
Raganga Primary School	250,000	-	-	250,000	-	250,000
St. Josephs Nyabururu Primary School	300,000	-	-	300,000	-	300,000
Bokeabu Primary School	-	700,000	-	700,000	700,000	-
Bototo Primary School	-	700,000	-	700,000	700,000	-
Daraja Mbili Primary School	-	700,000	-	700,000	700,000	-

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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			
Kianyabinge Primary School	-	700,000	-	700,000	-	700,000
Kioge Primary School	-	600,000	-	600,000	-	600,000
Nyabiyongo Primary School	-	1,000,000	-	1,000,000	-	1,000,000
Nyakeogiro Primary School	-	500,000	-	500,000	-	500,000
Nyanchogochi Primary School	-	700,000	-	700,000	700,000	-
Nyankongo Primary School	-	300,000	-	300,000	300,000	-
Rera Primary School	-	50,000	-	50,000	-	50,000
St. Joseph's Nyabururu Primary School	-	1,388,000	-	1,388,000	1,000,000	388,000
St. Patrick's Primary School – Mosoch	-	800,000	-	800,000	700,000	100,000
St. Mary's Girls Primary School	-	200,000	-	200,000	100,000	100,000
Riangoko Primary School	-	300,000	-	300,000	250,000	50,000
Mwechobori Primary School	-	702,000	-	702,000	702,000	-
Nyamorenjo Primary school	-	1,400,000	-	1,400,000	700,000	700,000
Iranda Primary School	-	700,000	-	700,000	700,000	-

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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			
Kiombeta Primary School	-	700,000	-	700,000	700,000	-
Matieko Primary School	-	600,000	-	600,000	600,000	-
Nyanchogochi Primary School	-	300,000	-	300,000	300,000	-
Matieko Primary School	-	400,000	-	400,000	400,000	-
Ongicha Primary School	-	700,000	-	700,000	700,000	-
Raganga Primary School	-	700,000	-	700,000	700,000	-
Nyamatuta Primary School	-	500,000	-	500,000	500,000	-
Nyamagena Primary School	-	2,000,000	-	2,000,000	-	2,000,000
Nyanguru Primary School	-	700,000	-	700,000	700,000	-
Gesarara Primary School	-	400,000	-	400,000	400,000	-
Nyamondo Primary School	-	1,000,000	-	1,000,000	1,000,000	-
Ebate Primary School	-	1,400,000	-	1,400,000	700,000	700,000
Sub-total	36,150,000	20,840,000	-	56,990,000	13,952,000	43,038,000
8.0 Secondary Schools Projects						

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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			
Kiogo S.D.A Mixed Sec. School	600,000			600,000		600,000
Nyaore Secondary School	2,000,000			2,000,000		2,000,000
Raganga Secondary School	2,400,000			2,400,000		2,400,000
St. Clare Kioge Girls High School	1,000,000			1,000,000		1,000,000
St. Catherine Iranda Secondary School	1,000,000			1,000,000		1,000,000
Nyagisai Secondary School	2,000,000	1,000,000		3,000,000		3,000,000
Bogeka Secondary School		700,000		700,000	700,000	-
Getembe Secondary School		800,000		800,000	800,000	-
Keore Secondary School		1,400,000		1,400,000	700,000	700,000
Nyakeogiro Secondary School		1,100,000		1,100,000	200,000	900,000
Nyanguru Secondary School		2,700,000		2,700,000	2,700,000	-
Nyatieko Secondary School		800,000		800,000	700,000	100,000
St. Patrick's Secondary School		900,000		900,000		900,000
Matieko Secondary School		1,300,000		1,300,000	350,000	950,000

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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			
Nyamatuta Secondary School		1,000,000		1,000,000	500,000	500,000
Riotoero Secondary School		1,700,000		1,700,000	1,700,000	-
Kioge Girls Secondary School		1,450,000		1,450,000	1,000,000	450,000
Ongicha Secondary School		700,000		700,000		700,000
St. Catherine Iranda Secondary School		1,100,000		1,100,000	1,100,000	-
Cardinal Otunga High School-Mosocho		700,000		700,000		700,000
St. Clare Kioge Girls		400,000.00		400,000	400,000	-
Matieko Secondary school		200,000.00		200,000	200,000	-
Nyatieko Secondary school		400,000.00		400,000	400,000	-
Total	9,000,000	17,350,000	-	27,350,000	11,450,000	15,900,000
9.0 Tertiary institutions Projects						
Kenya Medical Training College, Kisii	2,000,000			2,000,000	-	2,000,000
Kiamwasi Technical Training Institute	6,000,000			6,000,000	-	6,000,000
Total	8,000,000		-	8,000,000	-	8,000,000

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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			
10.0 Security Projects						
Kitutu Central Deputy County Commissioners Office.	1,500,000			1,500,000		1,500,000
Kitutu Central Sub County Police Station	2,000,000			2,000,000		2,000,000
Kitutu Central Sub County Police Station	2,000,000			2,000,000		2,000,000
Nyatieko Police line	700,000			700,000		700,000
Raganga Chiefs Office	500,000			500,000		500,000
Township chiefs office	1,500,000			1,500,000		1,500,000
Kitutu Central Sub County Police Station	300,000			300,000		300,000
Kitutu Central Sub County Police Station	500,000			500,000		500,000
Nyatieko Police line	500,000			500,000		500,000
Kitutu Central Sub County Children Protection unit.		1,000,000		1,000,000	500,000	500,000
Nyatieko Police line		500,000		500,000		500,000
Bogeka Chief's office		500,000		500,000		500,000
Nyanguru Chief's office		1,000,000		1,000,000		1,000,000

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		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Botori Assistant Chief's office		1,000,000		1,000,000		1,000,000
Raganga Chief's office		500,000		500,000	500,000	-
Kitutu Central Sub County Police Station		700,000		700,000	500,000	200,000
Nyatieko Chief's Office		450,000		450,000	450,000	-
Raganga Chief's office		500,000		500,000	500,000	-
Kitutu Cental		800,000		800,000	800,000	-
Matieko Chief's Office		100,000		100,000		100,000
Mosocho ACC's Office		2,230,344		2,230,344		2,230,344
Kitutu Central subcounty					700,000	
Durac Africa ventures					224,069	
Comm VAT					3,931	
Manager Cooperative bak Kisii (st					1,250,754	
Kitutu Chache South					146,671	
Comm. Income tax					44,001	

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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			
Comm. Income tax					25,288	
Kitutu Chache South					361,012	
Comm. Income tax					93,365	
com VAT					62,243	
Kitutu Chache South					339,271	
Manager Cooperative bak Kisii (st					3,093,500	
commVAT					58,495	
Total	9,500,000	9,280,344	-	18,780,344	9,652,600	9,127,744
11.0 Acquisition of assets				-		-
Construction of CDF Office	-	879,229	-	879,229	-	879,229
Purchase of furniture and equipments	-	202,500	-	202,500	-	202,500
Manager Cooperative Bank Kisii	-	-	-	-	2,115,275	-
Comm. Income tax	-	-	-	-	87,742	-
Manager Cooperative Bank Kisii	-	-	-	-	1,749,429	-

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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			
Manager Cooperative Bank Kisii	-	-	-	-	1,749,429	-
NG-CDF Office-Re-allocation	-	4,677,027	-	4,677,027	-	-
Sub-total	-	5,758,756	-	5,758,756	5,701,876	56,880
12.0 Oversight Committee Expenses (itemize)						
Constituency Oversight	1,450,875	-	-	1,450,875	-	1,450,875
Sub-total	1,450,875	-	-	1,450,875	-	1,450,875
13.0 Others						
13.1 Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000
13.2 Innovation Hub	-	-	-	-	-	-
Sub-total	2,000,000	-	-	2,000,000	-	2,000,000
14.0 unallocated fund						
Unapproved projects	9,801,752	-	-	9,801,752	-	9,801,752
AIA	-	-	-	-	-	-
PMC savings	-	-	-	-	-	-
Sub-Total	-	-	-	9,801,752	-	9,801,752

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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			
Total	145,087,603	75,532,363		220,619,966	117,991,347	102,628,619

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

XV. 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-Kitutu Chache South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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.

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XVI. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO. B 140962	-	33,000,000
AIE NO. B 105658	-	44,000,000
AIE NO. B 128573	-	5,000,000
AIE NO. B 154082	-	15,000,000
AIE NO. B 105828	-	24,000,000
AIE NO. B 164420	-	18,000,000
AIE NO. B 155856	-	17,088,879
AIE NO. B 155977	-	11,188,879
AIE NO. B 128885	-	14,000,000
AIE NO B185129	7,000,000.00	-
AIE NO B207663	26,000,000.00	-
AIE NO B205939	12,000,000.00	-
AIE NO B206429	12,000,000.00	-
AIE NO B207763	15,000,000.00	-
AIE NO B207823	15,000,000.00	-
TOTAL	87,000,000.00	181,277,758

2. Proceeds From Sale of Assets

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

3. Other Receipts

	2022/2023	2021/2022
	Kshs	Kshs
Interest Received	-	-

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Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,537,500.00	1,469,720.00
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	1,161,000.00	-
Leave allowance	-	-
Gratuity to contractual employees	226,455.00	-
Employer Contributions Compulsory national social security schemes	65,550	182,760.00
Total	2,990,505.00	1,652,480

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	926,000	1,393,500
Other committee expenses	1,050,000	1,060,000
Total	1,976,000.00	2,453,500

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6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	20,000.00	-
Communication, supplies and services	56,350.00	1,200,000
Domestic travel and subsistence	1,050,000.00	770,000
Printing, advertising and information supplies & services	1,160,000.00	-
Rentals of produced assets	-	-
Training expenses	1,220,000.00	1,750,000
Hospitality supplies and services	1,150,000.00	600,000
Insurance costs	-	-
Specialised materials and services	1,180,000.00	119,450
Office and general supplies and services	905,935.00	-
Fuel , oil & lubricants	700,000.00	1,900,360
Other operating expenses	1,233,500.00	-
Bank Charges	97,810.00	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	387,520.00	-
Routine maintenance- other assets	-	-
Total	9,161,115.00	6,339,810

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	13,952,000.00	33,700,000
Transfers To Secondary Schools (See Attached List)	10,450,000.00	40,863,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	24,402,000.00	74,563,000

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	35,474,000.00	4,065,000
Bursary – tertiary institutions (see attached list)	23,710,995.00	31,840,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	9,652,600.00	7,100,000
Sports projects (see attached list)	-	2,600,000
Environment projects (see attached list)	2,732,256.00	1,270,089
Emergency projects (see attached list)	2,190,000.00	9,762,000
Roads projects (see attached list)	-	-
Total	73,759,851.00	56,637,089

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	2,232,887	18,596,566
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	2,232,887	18,596,566

10. Oversight Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
	-	-

11. Other Payments

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Co-operative Bank, Account No. 01141423185500</i>	14,541,016	75,532,363
<i>Family Bank, account No. 027000056315</i>	30,000,000	-
Total	44,541,016	75,532,363
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

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

[Include an annex if the list is longer than 1 page.]

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Notes to the Financial Statement Continued

14. Retention and Gratuity

	2022/2023	2021/2022
	KShs	KShs
Retention as at 1 st July (A)	3,468,990.00	1,492,534
Retention held during the year (B)	-	365,095
Retention held during the year (C)	-	304,786
Retention held during the year (D)	-	304,786
Retention held during the year (E)	-	359,453
Retention held during the year (F)	-	200,693
Retention held during the year (G)	-	324,842
Retention held during the year (H)	-	116,801
Retention paid during the Year (I)	3,468,990.00	-
Closing Retention as at 30 th June J=A+B+C+D+E+F+G+H-I	-	3,468,990

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

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	75,532,363	53,206,895
Cash in hand	-	-
Imprest	-	-
Total	75,532,363	53,206,895
Less	-	-
Payables: - Retention	3,468,989	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	72,063,374	53,206,895

[Provide short appropriate explanations as necessary]

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16. Prior Year Adjustments

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

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

	2022/2023	2021/2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	3,468,989	1,492,534
Deposit and Retentions held during the year (B)	-	1,976,455
Deposit and Retentions paid during the Year (C)	3,468,989	-
closing account payables D= A+B-C	-	3,468,989
Net changes in accounts payables D-A	(3,468,989)	1,976,455

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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	269,196	1,395,881
Committee expense	-	-
Use of goods and services	84,017	27,068
Amounts due to other Government entities (see attached list)	75,938,000	38,190,000
Amounts due to other grants and other transfers (see attached list)	19,360,662	26,691,670
Acquisition of assets	3,525,868	1,081,728
Oversight Committee Expenses	1,450,876	-
Other Payments (<i>specify</i>)	-	4,677,027
Strategic plan	2,000,000	-
Funds pending approval	-	-
Total	102,628,619	72,063,373

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19.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	1,040,184	9,611,609
Total	1,040,184	9,611,609



XVII. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2023	Comments
NG-CDFC Staff				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Sub-Total	-	-	-	-
Grand Total	-	-	-	-

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance FY 2022-2023	Outstanding Balance FY 2021-2022	Comments
Compensation of employees	-	269,196	1,395,881	-
Use of goods & services	-	84,018	27,069	-
Amounts due to other Government entities	-			-
Primary Schools		43,038,000	20,840,000	
Secondary Schools		15,900,000	17,350,000	
		8,000,000		
Sub-Total	-	66,938,000	-	-
Amounts due to other grants and other transfers	-		-	-
Bursary - Secondary		1,369,573	12,843,573	
Bursary - Tertiary		(2,821,024)	1,400,821	
Emergency	-	5,446,190	328,742	-
Security	-	9,127,744	9,280,340	-
Environment		2,115,378	2,747,634	
Sports		2,992,307	90,555	
Sub-Total		18,230,168		
Acquisition of assets		3,525,869	5,758,756	
Oversight Committee Expenses (itemize)	-	1,450,875	-	-

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Name	Brief Transaction Description	Outstanding Balance FY 2022-2023	Outstanding Balance FY 2021-2022	Comments
Others (<i>specify</i>)	-	2,000,000	-	-
Sub-Total	-		-	-
Funds pending approval		9,801,752		-
Grand Total	-	102,628,619	75,532,363	-

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022-2023
Land				
Buildings and structures	15,074,596	18,596,566	-	33,671,162
Transport equipment	4,300,000	-	-	4,300,000
Office equipment, furniture and fittings	548,900	-	-	548,900
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	19,923,496	18,596,566	-	38,520,062

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Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Date Account was Opened	Balance As at 30 th June 2021/22	Balance As at 30 th June 2022/23
Bogeka PAG Secondary School	Co-operative Bank	01141670098000	30.05.2019	2,970	2,630
Bokeabu Primary School	Co-operative Bank	01117017460801	28.09.2016	3,050	3,050
Bototo DOK Primary School	Co-operative Bank	01100016648000	12.10.2012	1,941	54,922
Daraja Mbili Primary School	Co-operative Bank	01139018515800	03.02.2017	23,270	35,910
Ebate Primary School	Co-operative Bank	01100423517500	01.10.2012	3,196	0
Getembe Primary School	Co-operative Bank	01100424508300	06.06.2012	428,837	14,677
Geturi Mixed Secondary School	Co-operative Bank	01117016776400	03.10.2016	4,388	4,388
Geturi Primary School	Co-operative Bank	01117017519901	23.02.2017	329,129	3,659
Ititi DOK Primary School	Co-operative Bank	01120017461600	11.03.2010	15,026	0
Jogoo SDA Primary School	Co-operative Bank	01100423989700	19.09.2012	6,762	3,883
Kanunda DOK Primary School	Co-operative Bank	01100017461100	01.07.2011	712,888	0
Kanunda Secondary School	Co-operative Bank	01120017970000	18.05.2009	817,238	8,418
Keore Primary School	Co-operative Bank	01139017461502	10.03.2016	5,082	5,083
Kianyabinge DOK Primary School	Co-operative Bank	01117424523100	26.09.2016	556,600	1,908
Kioge Girls High School	Co-operative Bank	01141019670500	24.06.2019	15,643	36,079
Kioge Primary School	Co-operative Bank	01139016649202	18.04.2019	3,150	3,150
Kisii Special School	Co-operative Bank	01141017800800	28.09.2018	168,597	4,547
Kisii Special School	Co-operative Bank	01100424366800	16.07.2014	533,807	27,863
Mariiba DOK Primary School	Co-operative Bank	01141423502500	18.06.2018	814,003	27,528

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PMC	Bank	Account number	Date Account was Opened	Balance As at 30 th June 2021/22	Balance As at 30 th June 2022/23
Nyatieko Asst. Chief's Office	Co-operative Bank	01141809784100	10.07.2020	37,681	2,476
Moneke Primary School	Co-operative Bank	01117017487502	29.09.2016	28,278	28,278
Mwechobori DEB Primary School	Co-operative Bank	01139424606100	16.09.2016	63,617	1,116
Nyabiyongo DOK Primary School	Co-operative Bank	01139017329102	05.06.2009	2,270	2,270
Nyabundo DEB Primary School	Co-operative Bank	01117017522802	29.09.2016	1,016	1,016
Nyakeogiro Secondary School	Co-operative Bank	01141808796200	04.05.2019	536,648	22,323
Nyamatuta DEB Primary School	Co-operative Bank	01100017457400	22.05.2012	8,998.00	8,398
Nyambara DOK Primary School	Co-operative Bank	01120017460300	18.05.2011	704,584	3,113
Nyamorenyo DEB Primary School	Co-operative Bank	01139016024903	27.09.2016	2,242	1,232
Nyanguru Secondary School	Co-operative Bank	01117671347500	24.02.2017	102,320	580,380
Nyaore DOK Primary School	Co-operative Bank	01100423365300	19.03.2014	710,271	4,501
Nyosia Primary School	Co-operative Bank	01117017457701	28.09.2016	227,921	7,311
Ongicha Primary School	Co-operative Bank	01120017082100	29.03.2010	558,801	816
Raganga DOK Primary School	Co-operative Bank	01117016831002	29.09.2016	52,931	816
Rera DOK Primary School	Co-operative Bank	01139017079203	29.06.2016	1,003,717	1,937
Rwora DOK Primary School	Co-operative Bank	01139476434700	30.09.2016	352	352
Sakawa DEB Primary School	Co-operative Bank	01100019608200	25.10.2007	762.00	0.00
Siara DOK Primary School	Co-operative Bank	01117017074301	02.08.2016	491,852	3,772
St. Ambrose Nyaore Secondary School	Co-operative Bank	01139019582102	23.06.2016	71,889	3,889
St. Patrick's Primary School	Co-operative Bank	01120296805600	31.07.2010	175,406	122,106

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PMC	Bank	Account number	Date Account was Opened	Balance As at 30 th June 2021/22	Balance As at 30 th June 2022/23
St. Philips Matieko Secondary School	Co-operative Bank	01141016896300	23.06.2020	80,009	4,059
Ebate DOK Primary School	Co-operative Bank	01100423517500	01.10.2012	3,196	0.00
Gesarara DEB Primary School	Co-operative Bank	01117016261901	23.09.2016	301,265	2,328
Total				9,611,603	1,040,184

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.Funding of Devolved Government Functions	Included in other grants and transfers balance of Kshs. 48,567,233 is Kshs. 25,000,000 and Ksh. 600,000 allocated to water and agricultural projects respectively. However following the enactment of the NG-CDF Act, 2015 on 16 th February 2016, the management continued to fund functions meant for the County Governments contrary to section 24 of the Act which states that the projects under this Act shall be respect of works, services falling within the functions of the national government under the constitution.	<p>The funded water projects and agricultural project during the financial year 2016/2017 were project balances which had been approved in the year 2015/2016 and earlier which were ongoing.</p> <p>The Committee is now in process of handing over completed projects which fall under the county and at same time submit reports on incomplete devolve</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		project so that the NG-CDF Board can make a decision on how the projects will be completed. the projects.		
2. Irregular use of Emergency	Included under grants and transfers balance of Ksh. 48,567,233 is Kshs. 4,048,540 which in turn includes non-emergency projects worth Kshs. 2,500,000 disbursed to fund emergency projects. However, projects worth Kshs. 2,500,000.00 did not qualify as emergencies in accordance with Section 8(3) of the Act.	It was the in the opinion of the committee that these projects were emergency projects, since leaving them at the state they were would have been more costly in the long run, some required roofing and leaving them as were the project would have been more vulnerable to heavy rains and other harmful weather conditions. This project	Resolved	

**Kitutu Chache South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

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)
		was implemented as emergency projects as envisaged by Section 8(3) of the NG-CDF Act.		

.....
Edwin K. Rutto
Fund Account Manager.

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