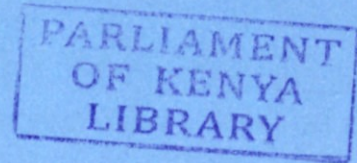
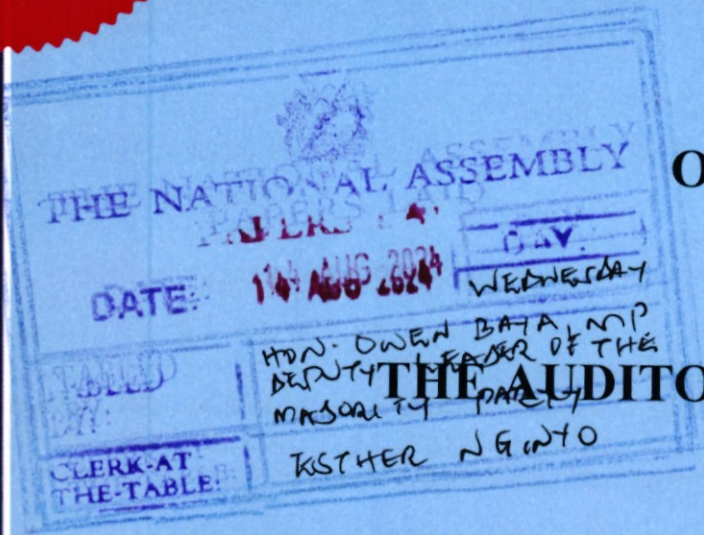


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KITUTU MASABA CONSTITUENCY**

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

1000



KITUTU MASABA 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)

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I. Acronyms and Abbreviations

Provide a list of all applicable acronyms and abbreviation e.g.

NGCDF-National Government Constituency Development Fund
NGCDFB - National Government Constituency Development Fund Board
NGCDFC - National Government Constituency Development Fund Committee
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC- Project Management Committee
FY-Financial Year
ARMC -
OSHA -

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 Masaba 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 | John Onger |
| 2. | Sub-County Accountant | Stephen Orina |
| 3. | Chairman NGCDFC | Vane Ombaso |
| 4. | Member NGCDFC | James Makini |

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kitutu Masaba 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 Masaba Constituency NGCDF Headquarters

P.O. Box 3100 - 40200
Tombe NGCDFC Offices
Kisii, KENYA

(e) Kitutu Masaba Constituency NGCDF Contacts

Telephone: (254) 710426880
E-mail: cdkitutummasaba@ngcdf.go.ke
Website: www.cdkitutummasaba@ngcdf.go.ke

(f) Kitutu Masaba Constituency NGCDF Bankers

Equity Bank

Keroka Branch

P.O. Box 75104-00200

Nairobi

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

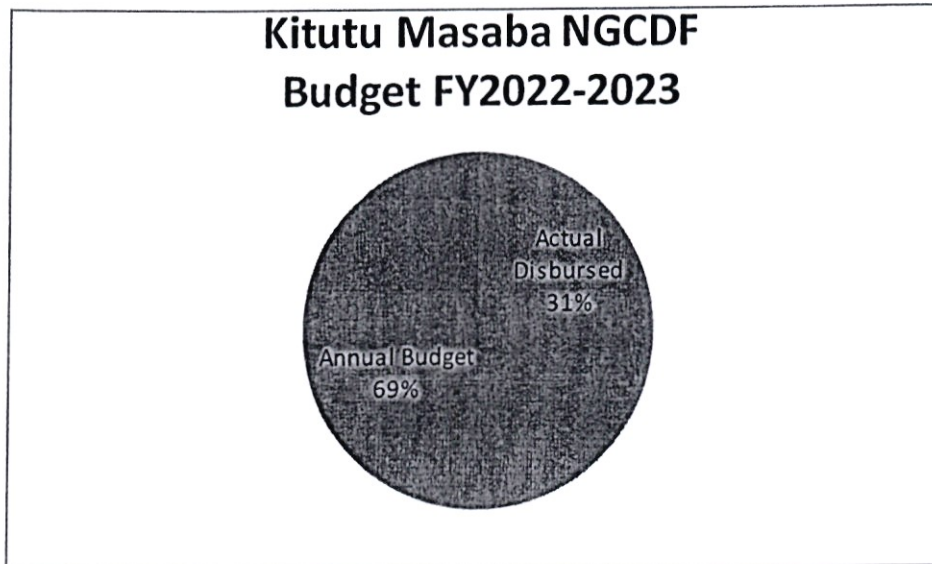
iii. NG-CDFC CHAIRPERSON'S REPORT



During the financial year 2022-2023, our budget was Kshs. 151,960,174. By end of financial year 2022-2023, we had so far received Kshs. 57,000,000.00 that converts to 37.5% of year's budget and Kshs. 10,000,000 being balance from the previous approved budgets totalling to Kshs. 67,000,000.

Our expenditure per sectors are as follows.

| | |
|-------------------------------------|------------|
| Compensation of Employees | 1,198,502 |
| Committee expenses | 3,289,900 |
| Use of goods and services | 7,069,197 |
| Transfers to Other Government Units | - |
| Other grants and transfers | 54,996,127 |
| Other Payments | - |



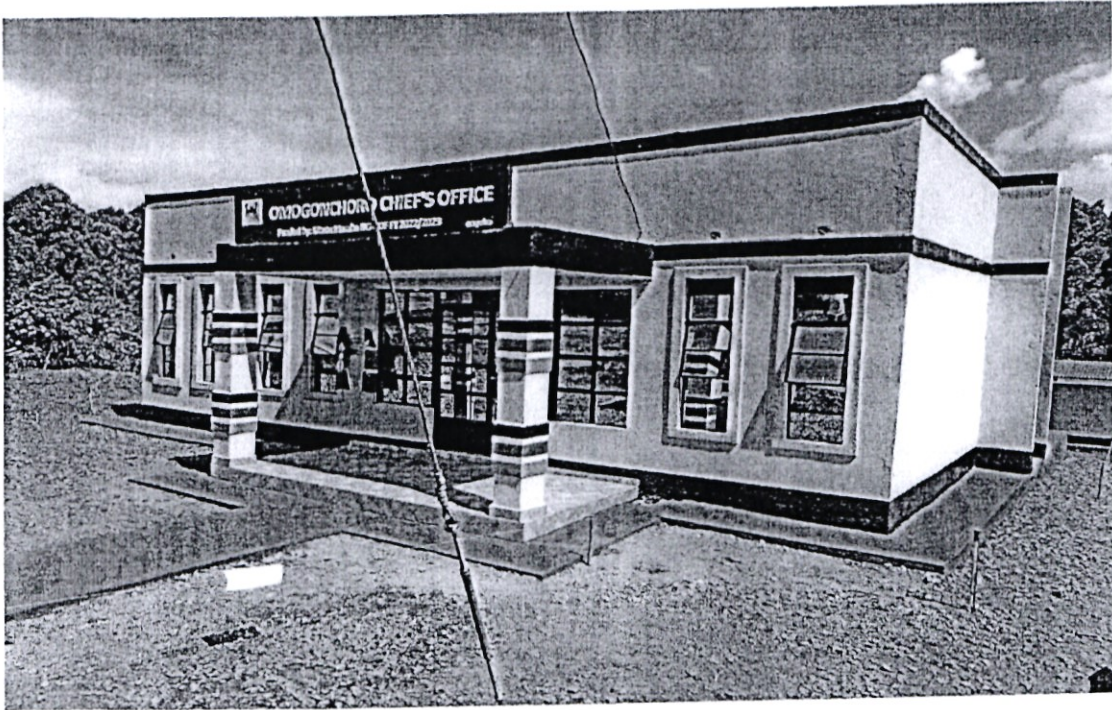
The Implementation of Projects and overall performance.

We did bursary successfully but due to delays of the Board disbursements we haven't done much in infrastructural projects i.e Education and security.

The Key achievements for the constituency are presented in the photos below:



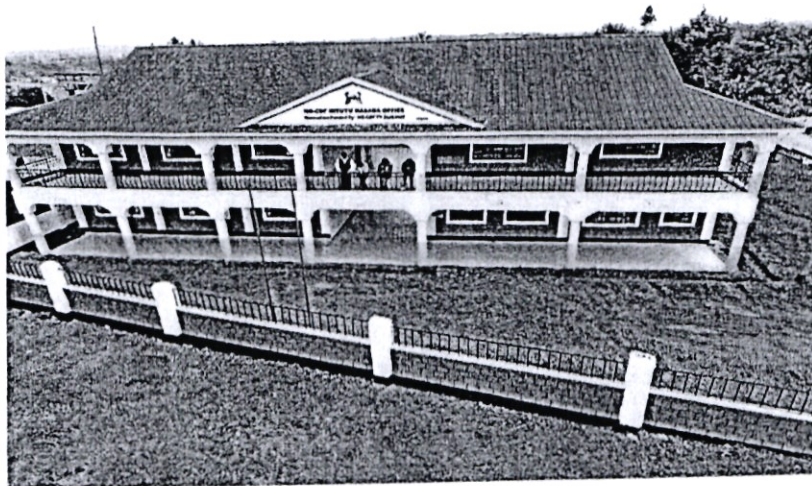
**KIOMONSO ELCK PRIMARY SCHOOL
TOILET CONSTRUCTION 2022/2023FY @1M**



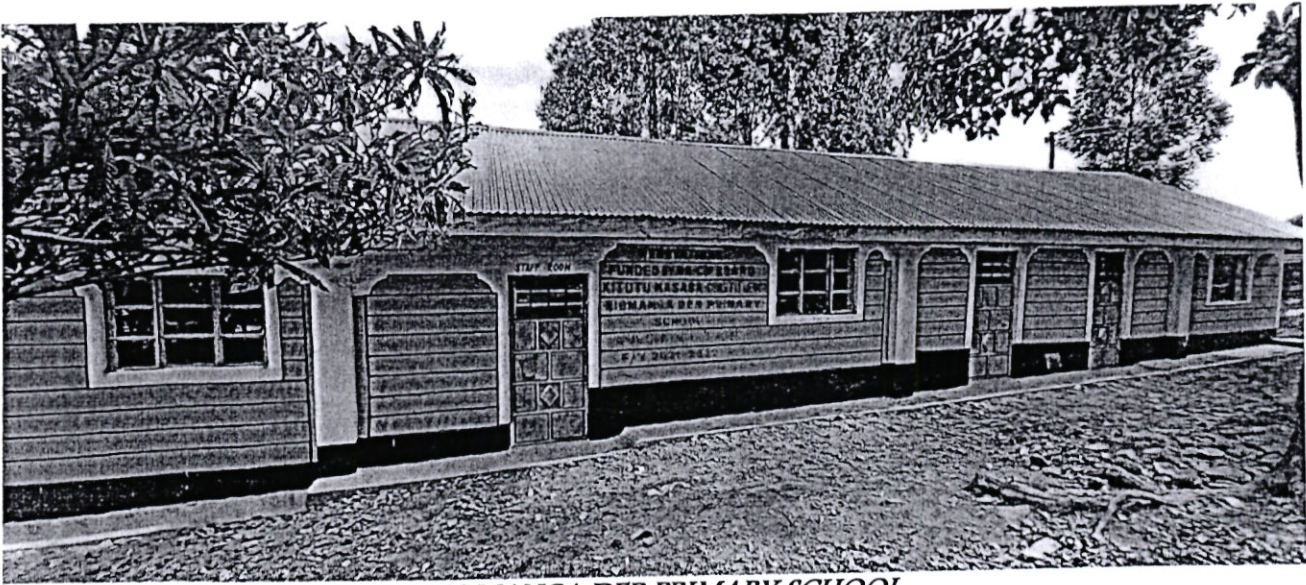
**OMOGONCHORO CHIEFS OFFICE 2022-2023
CONSTRUCTION OF NEW CHIEFS OFFICE @KSHS. 2.5M**



NG-CDF KITUTU MASABA OFFICE
Renovation Funded By: NG-CDF FY 2022/2023 angoko



NGCDF OFFICE RENOVATIONS 2023 @KSHS. 1.5M



RIOMANGA DEB PRIMARY SCHOOL

Bursary

NGCDF Committee Kitutu Masaba funded more than 12,000 students in Secondary Schools Kshs. 29m tertiary institution amounting to Kshs. 23m as the exercise continues. Most of these beneficiaries are needy and bright students across the constituency.

1. Emerging issues in our constituency

The constituency consists of two sub counties and so funds are insufficient
Many education sector institutions have not been fully registered hence opening of bank accounts is a challenge

The implementation challenges and recommendations for way forward.

i.Registration of schools.

Many of our institutions haven't been fully registered with the ministry of education. Most of those institutions have provisional certificated of which banks do not accept in opening bank accounts.

Way forward

-We have discussed with the line ministry to fast track the process of registration.

We no longer fund any projects which is not fully registered with the ministry.

ii. Procurement

— Most of the institutions management lack knowledge on procurement procedures. This results to many audit issues from the auditors about tendering and procuring materials during implementation of projects.

Way forward

The committee has incorporated all PMCs and Procurement officers in the entire process of procurement and implementation of the funded projects

iii. Vast (Big/Large) Constituency

Our constituency has two sub counties hence too many projects scrambling for same fund. This has lead to inadequate funding of projects.

Way forward

- The constituency needs more allocation.
- Constituency to be split into two.

iv. High cost of construction of infrastructural facilities

The cost of constructing a classroom in our constituency is expensive due to the fact that the terrain of the entire constituency is hilly, sand is transported from far counties at the Lake Victoria, some lower areas have black cotton soil hence foundations have to be fully supported with iron bars that are extremely expensive.

Way forward

The committee has increased the allocation per classroom construction from Kshs. 1,000 to Kshs. 1.4m depending on the location of the project.

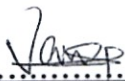
We have also talked with the County Government of Nyamira to help construct roads linking schools for easy transportation of building materials.

v. Many schools in our constituency

Our constituency covers two sub counties which has 185 primary schools and 57 secondary schools. Many of these institutions were started without the ministry approval and no plan, hence funding them is not easy. The non-funded institutions which are not registered feel neglected by the agency.

Way forward

We are only funding the ministry of education approve institutions.



.....
Name: VANE SARANGE OMBASO

CHAIR NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Kitutu Masaba Constituency 2021-2025* plan are to:

(Enumerate all the objectives of the constituency as per the Strategic Plan)

Progress on attainment of Strategic development objectives

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

| Constituency Sector | Objective | Outcome | Indicator | Performance |
|---------------------|--|---|--|--|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels | In FY 2022/2023 -we increased number of classrooms/admin block in primary schools from 34 to 37, Secondary schools from 26 to 35 ; dormitories in secondary schools from 11 to 13 and laboratories in secondary schools from 9 to 11 - Bursary beneficiaries in tertiary institutions increased from 6,100 to 12,000 as per the attached schedules |
| Security | To have all security service delivery done from one central AP posts, chiefs, ACC offices, DCC offices | Increased and easy security service delivery at all administration posts. | - number of usable physical infrastructure build in security institutions | In FY 2022/23 -we increased number of construction of chiefs/ass. chiefs offices from 5 to 7 |

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

| | | | | |
|-------------|---|--|---|--|
| | | | - | |
| Environment | To have six learning institutions plant Hass Avocado to help in environmental and food supplement programme. | Plant Hass Avocado to six leaning institutions in the financial year. | - number of usable physical hygiene toilets, environmental conservation by planting more Hass Avocado and water tanks | Due to delays of disbursement of funds from the board, we did not manage to plant the desired avocado. |
| Sports | To have constituency six sports playing grounds levelled | Increased number of more sporting grounds levelled and landscaped for all sporting activities. | - 6 number of visible and usable physical sports grounds levelled. | . Due to delays of disbursement of funds from the board, we did not manage to level the sporting grounds |
| Emergency | To have all unforeseen emergency cases especially sunken toilets, blown off roofs in educational institutions done. | Increased number of emergency cases attended to reinstall the situations. | - number of usable physical toilets, blown roofs and any other unforeseen emergency done in primary, secondary, tertiary institutions and security premises | In FY 2022/2023 -we increased number of emergency case from 24 to 33 mostly in educational institutions as per attached schedules of budget execution. |

v. Statement of Governance

(Two-to-three pages)

(Under this section, include the process of appointment and removal of NGCDFC Members, roles and functions of the Committee, induction, and training of Members. No of meetings held, disclose policy on conflict of interest, Members remuneration, ethics and conduct, risk management etc.)

(i) Appointment of NGCDFC Members and Removal of NGCDFC Member:

Public participation is conducted where the general public elects members from different categories I.e Male Representative, Woman representative, Youth male representative, Youth Female representative and Persons living with disability. These elections are done per ward. In Kitutu Masaba we have six (6) wards and so all the elections are done filling all slots. All elected members are called to the NGCDF Offices by the Fund Account Manager and further scrutiny is done. Out of the six wards representative, They do proposals per ward for each position advertised. Secret ballot is conducted and they arrive at every slot per category needed.

In the event that there is prove beyond doubt that the member commits gross violation of the constitution and is attached with corruption issues, the letter is addressed to him through the Chair and Fund Account Manager summoning him/her for a special hearing of the issues raised. If found guilty then a compilation of minutes for the resolution are forwarded to the CEO for de-gazettement and a suitable member is selected from those who applied.

The major roles of the committee is to run day to day's business of the fund. Those includes conducting meetings to discuss constituency development projects, proposing projects from public participation for funding, monitoring and inspecting funded projects and launching the completed projects.

The committee at its initial stage especially new term in office induction is conducted by NGCDF Board where they are introduced to the expectations and mandate of the fund. The committee have the committee and sub committees all totaling to twenty four.

The Fund restricts the members of the committee not to participate in contract execution since this bring the conflict of interest over non members of the community.

Member's remuneration stands at Kshs. 7,000 nfor the chair and Kshs. 5,000 for other members for the committee sittings. Sub committee allowances can be determined by the budgetary controls in each sector.

Members are to run the NGCDF affairs following the professional code and conduct and ethics at all times. This could restate the trust from the public since ethos and conduct is key in any public office.

The committee is at all times running business on risk atmosphere since the business is politically centred. So the committee members should be a ware of the repercussions for being risk averse in order to protect the name of the fund and attain its mandate at all times.

VI. Environmental and Sustainability Reporting

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 2022/2023 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- In all learning institutions benefiting from environmental activities, students and pupils are usually involved directly in planting of trees, building contour and formation of trenches to conserve soil erosion.
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- Youth/community seminars are conducted periodically to sensitize the public on the dangers of drug abuse.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- The conservation of environment by planting trees, contours and gabion, water harvesting and toilets are sponsored by NGCDF Kitutu Masaba agency.
- Sports tournaments are conducted in the constituency from ward level by forming various teams and competing where various sports items i. e uniforms, balls, etc are provided
- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.
- The NGCDFC Kitutu Masaba have discussed the issues and will soon have them implemented by their staff..

3. Employee welfare

We invest in providing the best working environment for our employees. Xxx 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 Masaba constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

Kitutu Masaba NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



.....JOHN ONGERI.....

Name JOHN ONGERI
Fund Account Manager.

VII. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kitutu Masaba 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 Masaba 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 Masaba 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.

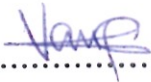
The Accounting Officer in charge of the NGCDF Kitutu Masaba Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been

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

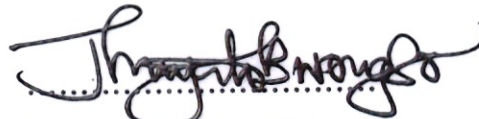
prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kitutu Masaba Constituency financial statements were approved and signed by the Accounting Officer on 4/4 2023.



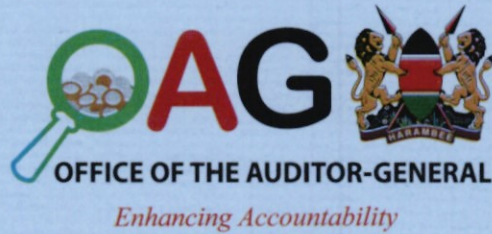
.....
Name: VANE OMBASO
Chair – NGCDF Committee



.....
Name: JOHN ONGERI
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kitutu Masaba Constituency set out on pages

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

1 to 44, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the National Government Constituencies Development Fund - Kitutu Masaba 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 do not comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015, (Amended 2022).

Basis for Adverse Opinion

1. Inaccuracies of Comparative Balance in Use of Goods and Services

The statement of receipts and payments reflects expenditure of use of goods and services comparative amount of Kshs.7,069,197 (2022 - Kshs.13,650,235) as disclosed in Note 6 to the financial statements which are at variance with prior year audited financial statements as detailed below:

| Expenditure Item | Balance as Per Financial Statements (Kshs.) | Balance per Prior Year Audited Financial Statements (Kshs.) | Variance (Kshs.) |
|--------------------------------------|--|--|-------------------------|
| Hospitality Supplies and Services | 2,277,265 | Nil | 2,277,265 |
| Office General Supplies and Services | 30,000 | 2,277,265 | 2,247,265 |
| Other Operating Expenses | 4,348,700 | 3,516,000 | 832,700 |
| Communication, Supplies and Services | 2,593,000 | Nil | 2,593,000 |

In the circumstances, the completeness and accuracy of comparative balance for use of goods and services of Kshs.13,650,235 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.54,380,127 which includes amounts of Kshs.19,183,000 and Kshs.31,655,350 in respect of bursary to secondary schools and tertiary institutions respectively and as disclosed in Note 8 to the financial statements. However, review of the supporting list of beneficiaries revealed amounts of Kshs.22,833,000 and Kshs.29,224,000 in respect of bursary to secondary schools tertiary institutions resulting to unexplained and

unreconciled variance of Kshs.3,650,000 and Kshs.2,431,350 respectively. Further, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of the bursary payments totalling Kshs.50,838,350 could not be confirmed.

3. Inaccuracy in Other Payments

The statement of receipts and payments reflects Nil balance in respect of other payments. However, Note 11 to the financial statements revealed an amount of Kshs.2,000,000 in respect of strategic plan which was not disclosed in the statement of receipts and payments and the summary statement of appropriation.

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

4. Non-Disclosure of Gratuity Payable

The statement of assets and liabilities reflects Nil balance in respect of gratuity payable. However, Note 19.2 and Annex 2 revealed that staff payables amounted to Kshs.1,119,100. However, the amount was not included in the statement of assets and liabilities.

In the circumstances, the accuracy and completeness of the statement of assets and liabilities could not be confirmed.

5. Unsupported Committee Expenses

The statement of receipts and payments reflects an amount of Kshs.3,289,900 in respect of committee expenses as disclosed in Note 5 to the financial statements. However, review of the supporting documents revealed that committee expenses amounting to Kshs.1,089,000 were not supported by details of meetings venues, work tickets, minutes and attendance registers.

In the circumstances, the accuracy and completeness of the committee expenses balance of Kshs.1,089,000 could not be confirmed.

6. Unsupported Sports Projects

The statement of receipts and payments reflects other grants and other transfers of Kshs.54,996,127 as disclosed in Note 8 to the financial statements. Included in this amount is Kshs.2,741,777 for sports projects. Verification of supporting documents provided for audit revealed that the amount was incurred to purchase football, goal keeper, volley ball uniforms and other sports gears. However, Management did not provide supporting documents such as advertisements, procurement plan, opening, evaluation and award minutes, local purchase orders, invoices, delivery notes, stores records and distribution list of beneficiaries.

In the circumstances, the accuracy and completeness of the sports projects expenditure of Kshs.2,7441,777 could not be confirmed.

7. Unsupported Emergency Projects

The statement of receipts and payments reflects other grants and other transfers of Kshs.54,996,127 as disclosed in Note 8 to the financial statements which includes an amount of Kshs.750,000 incurred on emergency projects. However, supporting documents including project files, expenditure returns, and procurement records and justification of the emergency projects were not provided for audit review.

In the circumstances, the accuracy and completeness of emergency projects expenses of Kshs.750,000 could not be confirmed.

8. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.241,316. However, the cash books, 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.241,316 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.162,591,678 and Kshs.67,631,054 respectively, resulting in under-funding of Kshs.94,960,624 or 58% of the budget. However, the Fund spent Kshs.66,553,726 against actual receipts of Kshs.67,631,054 resulting to under-utilization of Kshs.1,077,328.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the constituents.

2. Non-Payment of Long Outstanding Gratuity to Staff

Note.19.2 as detailed in Annex 2 to the financial statements reflects balance of Kshs.1,119.100 in respect of staff gratuity owed to staff who were employed in the

year 2018 for a contract period of three years. The employees had not been paid as at 30 June, 2023. No explanation was given for non-payment of the gratuity.

In the circumstances, the Fund has failed to meet its contractual obligation.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Although Management indicated that the issues were resolved as at 30 June, 2023, no corresponding evidence was provided for verification and confirmation.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 control that are identified during the audit.

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


FCPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

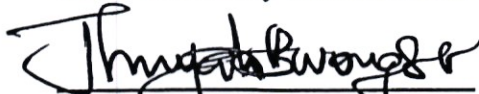
20 June, 2024

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


| | Note | 2022-2023 | 2021-2022 |
|-------------------------------------|------|-------------------|---------------------|
| | | Kshs | Kshs |
| Receipts | | | |
| Transfers From NGCDF Board | 1 | 67,000,000 | 158,088,879 |
| Proceeds From Sale of Assets | 2 | | |
| Other Receipts | 3 | | |
| Total Receipts | | 67,000,000 | 158,088,879 |
| Payments | | | |
| Compensation Of Employees | 4 | 1,198,502 | 4,180,243 |
| Committee expenses | 5 | 3,289,900 | - |
| Use Of Goods and Services | 6 | 7,069,197 | 13,650,235 |
| Transfers To Other Government Units | 7 | - | 118,877,758 |
| Other Grants and Transfers | 8 | 54,996,127 | 107,353,870 |
| Acquisition Of Assets | 9 | | |
| Oversight Committee Expenses | 10 | | |
| Other Payments | 11 | | |
| Total Payments | | 66,553,726 | 244,062,106 |
| Surplus/(Deficit) | | 446,274 | (85,973,227) |

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 4/4/2024 and signed by:


Fund Account Manager

Name: JOHN ONGERI


National Sub-County Accountant

Name: STEPHEN ORINA
ICPAK M/No:15252


Chairman NG-CDF Committee

Name: VANE OMBASO

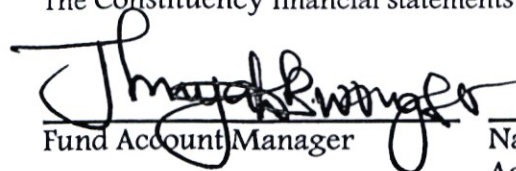
Kitutu Masaba Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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

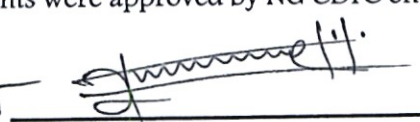
| | Note | 2022-2023 | 2021-2022 |
|--|------|------------------|----------------|
| | | Kshs | Kshs |
| Financial Assets | | | |
| Cash And Cash Equivalents | | | |
| Bank Balances (As Per the Cash Book) | 12A | 1,077,328 | 631,054 |
| Cash Balances (Cash at Hand) | 12B | | |
| Total Cash and Cash Equivalents | | 1,077,328 | 631,054 |
| Accounts Receivable | | | |
| Outstanding Imprests | 13 | - | - |
| Total Financial Assets | | 1,077,328 | 631,054 |
| Financial Liabilities | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 14A | - | - |
| Gratuity | 14B | - | - |
| Total Financial Liabilities | | | |
| Net Financial Assets | | 1,077,328 | 631,054 |
| Represented By | | | |
| Fund Balance B/Fwd | 15 | 631,054 | 86,604,281 |
| Prior Year Adjustments | 16 | - | |
| Surplus/Deficit for The Year | | 446,274 | (85,973,227) |
| Net Financial Position | | 1,077,328 | 631,054 |

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 4/4/2024 and signed by:


Fund Account Manager

Name: JOHN ONGERI


National Sub-County
Accountant
Name: STEPHEN ONGERI
ICPAK M/No: 15252


Chairman NG-CDF Committee

Name: VANE OMBASO

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

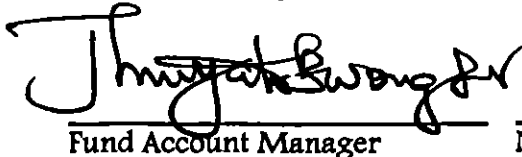
XI. Statement Of Cash Flows for The Year Ended 30th June 2023

| | Notes | 2022-2023 | 2021-2022 |
|--|-------|-------------------|---------------------|
| | | Kshs | Kshs |
| Receipts From Operating Activities | | | |
| Transfers From NGCDF Board | 1 | 67,000,000 | 158,088,879 |
| Other Receipts | 3 | | |
| Total Receipts | | 67,000,000 | 158,088,879 |
| Payments | | | |
| Compensation Of Employees | 4 | 1,198,502 | 4,180,243 |
| Committee Expenses | 5 | 3,289,900 | - |
| Use Of Goods and Services | 6 | 7,069,197 | 13,650,235 |
| Transfers To Other Government Units | 7 | - | 118,877,758 |
| Other Grants and Transfers | 8 | 54,996,127 | 107,353,870 |
| Oversight Committee Expenses | 10 | - | - |
| Other Payments | 11 | - | - |
| Total Payments | | - | - |
| Total Receipts Less Total Payments | | - | - |
| Adjusted For: | | | |
| Prior Year Adjustments | 16 | - | - |
| Decrease/(Increase) In Accounts Receivable | 17 | - | - |
| Increase/(Decrease) In Accounts Payable | 18 | - | - |
| Net Cash Flow from Operating Activities | | 66,553,726 | 244,062,106 |
| Cashflow From Investing Activities | | | |
| Proceeds From Sale of Assets | 2 | - | - |
| Acquisition Of Assets | 9 | (-) | (-) |
| Net Cash Flows from Investing Activities | | - | - |
| Net Increase In Cash And Cash Equivalent | | 446,274 | (85,973,227) |
| Cash & Cash Equivalent At Start Of The Year | 12 | 631,054 | 86,604,281 |
| Cash & Cash Equivalent At End Of The Year | | 1,077,328 | 631,054 |

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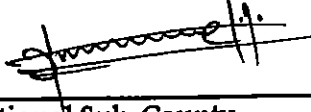
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 9/4 2024 and signed by:



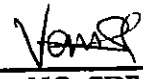
Fund Account Manager

Name: JOHN ONGERI



National Sub-County Accountant

Name: STEPHEN ORINA
ICPAK M/No: 15252



Chairman NG-CDF Committee

Name: VANE OMBASO

XII. 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 % |
| | <i>2022-2023</i> | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding disbursements | <i>2022-2023</i> | <i>2022-2023</i> | | |
| Receipts | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Transfers From NGCDF Board | 151,960,174 | 631,504 | 10,000,000 | 162,591,678 | 67,631,054 | 94,960,624 | |
| Proceeds From Sale of Assets | - | - | - | - | - | - | |
| Other Receipts | - | - | - | - | - | - | |
| Totals | 151,960,174 | 631,504 | 10,000,000 | 162,591,678 | 67,631,054 | 94,960,624 | |
| Payments | | | | | | | |
| Compensation Of Employees | 3,400,000 | 132,000 | 1,959,000 | 5,491,000 | 1,198,502 | 4,292,498 | 21.8% |
| Committee Expenses | 3,039,203 | 499,504 | 1,420,500 | 4,959,207 | 3,289,900 | 1,669,307 | 66.3% |
| Use Of Goods and Services | 10,276,416 | - | 6,620,500 | 16,896,916 | 7,069,197 | 9,827,719 | 41.8% |
| Transfers To Other Government Units | 65,480,399 | - | - | 65,480,399 | - | 65,480,399 | 0.0% |
| Other Grants and Transfers | 68,244,555 | - | - | 68,244,555 | 54,996,127 | 13,248,428 | 80.6% |
| Acquisition of Assets | - | - | - | - | - | - | |
| Oversight Committee Expenses | 1,519,602 | - | - | 1,519,602 | - | - | 0.0% |
| Other Payments | - | - | - | - | - | - | |
| Funds Pending Approval** | - | - | - | - | - | - | - |
| Totals | 151,960,174 | 631,504 | 10,000,000 | 162,591,679 | 66,553,726 | 96,037,953 | 40.9% |

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

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

Explanatory Notes.

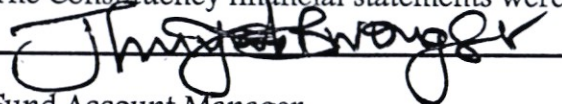
Statements of over utilization and under utilization of funds.


- i. There was no over utilization of funds above 100% due to the fact that the NGCDF Board delayed the disbursement of funds
- ii. Under other grants and transfers, Bursary award was the only one done successfully.
- iii. Use of goods and services was affected due to many operations interfered with from the corona effects.
- iv. Committee expenses was at 61% for the meetings, monitoring of projects and capacity building on NGCDF projects..

*(Explain whether the changes between the original and final budget are as a result of reallocation 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 utilization difference totals | 96,037,953 |
| Less undisbursed funds receivable from the Board as at 30 th June 2023 | (94,960,624) |
| Increase/(decrease) Accounts payable | - |
| (Decrease)/Increase Accounts Receivable | - |
| Add/Less Prior Year Adjustments | - |
| Cash and Cash Equivalents at the end of the 30 th June 2023 | 1,077,329 |

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:


Fund Account Manager
Name: JOHN ONGERI


National Sub-County Accountant
Name: STEPHEN ORINA
ICPAK M/No: 15252


Chairman NG-CDF Committee
Name: VANE OMBASO

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

XIII. 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 | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 3,690,000 | 132,000 | 1,959,000 | 5,781,000 | 1,198,830 | 4,582,170 |
| 1.2 Committee allowances | 2,038,000 | 499,504 | 1,420,500 | 3,958,004 | 3,289,900 | 668,104 |
| 1.3 Use of goods and services | 3,389,610 | | 6,620,500 | 10,010,110 | 7,069,197 | 2,940,913 |
| Sub-total | 9,117,610 | 631,504 | 10,000,000 | 19,749,114 | 11,557,927 | 8,191,187 |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 300,000 | | | 300,000 | | 300,000 |
| 2.2 Committee allowances | 2,080,915 | | | 2,080,915 | | 2,080,915 |
| 2.3 Use of goods and services | 1,960,000 | | | 1,960,000 | | 1,960,000 |
| Sub-total | 4,340,915 | - | - | 4,340,915 | | 4,340,915 |
| 3.0 Emergency | | | | | | |
| 3.1 Primary Schools | | | | | | |
| Nyaibasa Prim School | - | - | - | 200,000 | 200,000 | - |
| Keboba Deb Prim School | - | - | - | 250,000 | 250,000 | - |
| Rigoma deb primary school | - | - | - | 300,000 | 300,000 | - |
| 3.2 Secondary schools | | | | | | |

*Kitutu Masaba Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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 | | | |
| 3.3 Tertiary institutions | | | | | | |
| 3.4 Security projects | | | | | | |
| Sub-total | 7,636,190 | - | - | 7,636,190 | 750,000 | 6,886,190 |
| 4.0 Bursary and Social Security | | | | | | |
| 4.1 Primary Schools | | | | | | |
| 4.2 Secondary Schools | 13,000,000 | - | - | 13,000,000 | 19,450,000 | (6,450,000) |
| 4.3 Tertiary Institutions | 40,186,061 | - | - | 40,186,061 | 33,131,350 | 7,054,711 |
| 4.4 Universities | - | - | - | - | - | - |
| 4.5 Social Security | - | - | - | - | - | - |
| Sub-total | 53,186,061 | - | - | 53,186,061 | 52,581,350 | 604,711 |
| 5.0 Sports | | | | | | |
| Ekerubo primary school | 506,533 | - | - | 506,533 | - | 506,533 |
| Tombe Primary school | 506,533 | - | - | 506,533 | - | 506,533 |
| Kenyamware primary school | 506,533 | - | - | 506,533 | - | 506,533 |
| Kebirichi primary school | 506,533 | - | - | 506,533 | - | 506,533 |
| Mongoni primary school | 506,533 | - | - | 506,533 | - | 506,533 |
| Mosobeti primary school | 506,533 | - | - | 506,533 | - | 506,533 |
| Zabela general | | | | - | 786,206 | |
| Cdt Zabela | | | | - | 13,794 | |

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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 | | | |
| Bermos agencies | | | | - | 884,482 | |
| Cdt Bermos | | | | - | 15,518 | |
| Bermos agencies ltd | | | | - | 589,655 | |
| Cdt bermos | | | | - | 10,345 | |
| Zabella general ltd | | | | - | 434,160 | |
| Cdt zabella ltd | | | | - | 7,617 | |
| | | | | | | |
| Sub-total | 3,039,198 | - | - | 3,039,198 | 2,741,777 | 297,421 |
| 6.0 Environment | | | | | | |
| Motembe DEB primary school | 86,534 | - | - | 86,534 | - | 86,534 |
| Ogango DEB primary school | 86,534 | - | - | 86,534 | - | 86,534 |
| Riogoro PAG primary school | 86,534 | - | - | 86,534 | - | 86,534 |
| Riabagaka primary school | 86,534 | - | - | 86,534 | - | 86,534 |
| Kenyerere Primary school | 86,534 | - | - | 86,534 | - | 86,534 |
| Nyamotenenio primary school | 86,534 | - | - | 86,534 | - | 86,534 |
| | | | | - | | - |
| Total | 519,204 | - | - | 519,204 | - | 519,204 |
| Sub-total | | | | | | |

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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 | | | |
| 7.0 Primary Schools Projects (List all the Projects) | | | | | | |
| Nyambogo SDA primary school | 2,174,780 | - | - | 2,174,780 | - | 2,174,780 |
| Nyabogoye Primary school | 1,400,000 | - | - | 1,400,000 | - | 1,400,000 |
| Nyatieno Primary school | 1,400,000 | - | - | 1,400,000 | - | 1,400,000 |
| Riomoro primary school | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Riamachana DEB primary school | 1,250,000 | - | - | 1,250,000 | - | 1,250,000 |
| Rikenye DEB primary School | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Nyagechenche Primary School | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Nyaisa Primary school | 1,400,000 | - | - | 1,400,000 | - | 1,400,000 |
| Sengera Primary school | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Nyambaso Primary school | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Rionguti Primary school | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Rigoma Primary School | 4,200,000 | - | - | 4,200,000 | - | 4,200,000 |
| Kiomonso Primary school | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Borabu Primary school | 4,200,000 | - | - | 4,200,000 | - | 4,200,000 |
| Riamoni Primary School | 4,200,000 | - | - | 4,200,000 | - | 4,200,000 |
| Nyasimwamu Primary school | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |

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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 | | | |
| Nyabuya Primary school | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| Kiabiraa DEB Primary school | 1,250,000 | - | - | 1,250,000 | - | 1,250,000 |
| 7.1 | | | | | | |
| 7.2 | | | | | | |
| 7.3 | | | | | | |
| Sub-total | 30,474,780 | - | - | 30,474,780 | - | 30,474,780 |
| 8.0 Secondary Schools Projects (List all the Projects) | | | | | | |
| Kiendege Secondary school | 2,021,210 | - | - | 2,021,210 | - | 2,021,210 |
| St. Paul's Manga Orotuba secondary school | 2,430,560 | - | - | 2,430,560 | - | 2,430,560 |
| St Albert Girango Secondary School | 2,191,340 | - | - | 2,191,340 | - | 2,191,340 |
| Morako Secondary school | 1,250,000 | - | - | 1,250,000 | - | 1,250,000 |
| Nyabigege Secondary schools | 1,000,000 | - | - | 1,000,000 | - | 1,000,000 |
| 8.1 | | | | | | |
| 8.2 | | | | | | |
| Sub-total | 8,893,110 | - | - | 8,893,110 | - | 8,893,110 |
| 9.0 Tertiary institutions Projects (List all the Projects) | | | | | | |
| 9.1 | | | | | | |
| 9.2 | | | | | | |

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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 | | | |
| 9.3 | | | | | | |
| Sub-total | | | | | | |
| 10.0 Security Projects | | | | | | |
| Central Kitutu Chief's Office | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| Kemera Location Chief's Camp Security Lighting system | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| Omogonchoro location Chiefs Camp | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| Magombo Location Chief's Camp Security Lighting system | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| Riamabwoyo Chiefs Camp | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| Miriri Chiefs Camp | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| Keroka Township Location Chief's Camp Security Lighting System | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| East Kitutu location Chiefs Camp | 2,000,000 | | | 2,000,000 | - | 2,000,000 |
| Esani Location Chief's Camp Security Lighting system | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| Nyamakoroto Chiefs Camp | 2,500,000 | | | 2,500,000 | - | 2,500,000 |
| 10.2 | | | | | | |
| 10.3 | | | | | | |
| Sub-total | 24,500,000 | - | - | 24,500,000 | - | 24,500,000 |
| 11.0 Acquisition of assets | | | | | | |
| 11.1 Motor Vehicles (including motorbikes) | | | | | | |

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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 | | | |
| 11.2 Construction of CDF office | | | | | | |
| 11.3 Purchase of furniture and equipment | | | | | | |
| 11.4 Purchase of computers | | | | | | |
| 11.5 Purchase of land | | | | | | |
| Sub-total | | | | | | |
| 12.0 Oversight Committee Expenses (itemize) | | | | | | |
| Travel Costs (Bus, Railway, Mileage Allowances, etc.) | 300,000 | | | 300,000 | | 300,000 |
| Accommodation - Domestic Travel | 300,000 | | | 300,000 | | 300,000 |
| Daily Subsistence Allowance | 180,000 | | | 180,000 | | 180,000 |
| Constituency Oversight Committee Member Allowance | 300,000 | | | 300,000 | | 300,000 |
| Hire of transport | 200,000 | | | 200,000 | | 200,000 |
| Refined Fuels and Lubricants for Transport | 239,602 | | | 239,602 | | 239,602 |
| | | | | | | |
| Sub-total | 1,519,602 | | | 1,519,602 | | |
| 13.0 Others | | | | | | |
| 13.1 Strategic Plan | 2,000,000 | | | 2,000,000 | | 2,000,000 |
| 13.2 Innovation Hub | - | | | - | | - |
| 13.3 NGCDF Office Renovations | 1,583,504 | | | 1,583,504 | | 1,583,504 |
| 13.4 Motorcycle | 150,000 | | | 150,000 | | 150,000 |

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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 | | | |
| 13.5 REREC | 5,000,000 | | | 5,000,000 | | 5,000,000 |
| | | | | | | |
| Funds pending approval** | | | | | | |
| Sub-total | 10,253,106 | - | - | 10,253,106 | - | 10,253,106 |
| Total | 151,960,174 | 631,504 | 10,000,000 | 162,591,678 | 67,631,054 | 94,960,624 |

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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 Masaba 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.

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 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.

XV. Notes To the Financial Statements**1. Transfers from NGCDF Board**

| Description | 2022-2023 | 2021-2022 |
|------------------|-------------------|--------------------|
| NGCDF Board | Kshs | Kshs |
| AIE No. B105629 | | 34,000,000 |
| AIE No. B128574 | | 6,000,000 |
| AIE No. B128886 | | 12,000,000 |
| AIE No. B154083 | | 15,000,000 |
| AIE No. B164421 | | 18,000,000 |
| AIE No. B155857 | | 10,088,879 |
| AIE No. B105829 | | 30,000,000 |
| AIE No. B140963 | | 33,000,000 |
| AIE No. B 888901 | 10,000,000 | |
| AIE No. B 185130 | 7,000,000 | |
| AIE No. B 185538 | 6,000,000 | |
| AIE No. B 185669 | 15,000,000 | |
| AIE No. B 206340 | 12,000,000 | |
| AIE No. B 205940 | 12,000,000 | |
| AIE No. B 206166 | 5,000,000 | |
| | | |
| TOTAL | 67,000,000 | 158,088,879 |

2. Proceeds From Sale of Assets

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

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3. Other Receipts

| | <i>2022-2023</i> | <i>2021-2022</i> |
|---|------------------|------------------|
| | Kshs | Kshs |
| Interest Received | - | - |
| Rents | - | - |
| Receipts from sale of tender documents | - | - |
| Hire of plant/equipment/facilities | - | - |
| Other Receipts Not Classified Elsewhere | - | - |
| Total | - | - |

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 | 1,099,542 | 2,509,834 |
| Personal allowances paid as part of salary | - | - |
| House Allowance | - | - |
| Transport Allowance | - | - |
| Leave allowance | - | - |
| Gratuity to contractual employees | - | 1,445,874 |
| Employer Contributions Compulsory national social security schemes | 98,960 | 224,535 |
| Total | 1,198,502.00 | 4,180,243 |

5. Committee Expenses

| | <i>Insert current FY</i> | <i>Insert previous FY</i> |
|--------------------------|--------------------------|---------------------------|
| | Kshs | Kshs |
| Sitting allowance | - | - |
| Other committee expenses | - | - |
| Total | - | - |

6. Use of Goods and services

| | <i>2022-2023</i> | <i>2021-2022</i> |
|---|------------------|------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 453,500.00 | 169,450 |
| Communication, supplies and services | 709,550.00 | 2,593,000 |
| Domestic travel and subsistence | - | - |
| Printing, advertising and information supplies & services | - | - |
| Rentals of produced assets | - | - |
| Training expenses | 465,900.00 | 1,422,154 |
| Hospitality supplies and services | 438,000.00 | 2,277,265 |
| Insurance costs | - | - |
| Specialised materials and services | 171,312.00 | - |
| Office and general supplies and services | 625,000.00 | 30,000 |
| Fuel , oil & lubricants | 2,290,000.00 | 2,130,000 |
| Other operating expenses | 1,306,000.00 | 4,348,700 |
| Bank Charges | - | - |
| Security operations | - | - |

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| | | |
|--|---------------------|-------------------|
| Routine maintenance - vehicles and other transport equipment | 609,935.00 | 679,666 |
| Routine maintenance- other assets | - | 0 |
| | | |
| Total | 7,069,197.00 | 13,650,235 |

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) | - | 66,000,000 |
| Transfers To Secondary Schools (See Attached List) | - | 52,877,758 |
| Transfers To Tertiary Institutions (See Attached List) | - | |
| Total | - | 118,877,758 |

8. Other Grants and Other transfers

| Description | 2022-2023 | 2021-2022 |
|---|-------------------|--------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 19,450,000 | - |
| Bursary – tertiary institutions (see attached list) | 32,054,350 | 102,513,870 |
| Bursary – special schools (see attached list) | - | - |
| Mock & CAT (see attached list) | - | - |
| Social Security programmes (NHIF) | - | - |
| Security projects (see attached list) | - | - |
| Sports projects (see attached list) | 2,741,777 | - |
| Environment projects (see attached list) | - | - |
| Emergency projects (see attached list) | 750,000 | 4,840,000 |
| Roads projects (see attached list) | - | - |
| Total | 54,996,127 | 107,353,870 |

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 | - | - |
| 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 | - | - |

10. Oversight Committee Expenses

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

11. Other Payments

| | <i>2022-2023</i> | <i>2021-2022</i> |
|----------------|------------------|------------------|
| | Kshs | Kshs |
| Strategic plan | 2,000,000 | - |
| ICT Hub | - | - |
| | 2,000,000 | - |

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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>Equity Bank ,A/C No.(Main account) 1240280987998 Keroka Branch</i> | 1,077,328 | 631,054 |
| Proposed NGCDFC (deposit account) | - | - |
| Total | 1,077,328 | 631,054 |
| 12 B: Cash on Hand | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other Locations (<i>Specify</i>) | - | - |
| Total | 1,077,328 | 631,054 |
| <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

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

| 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

| | 1 st July 2022 | 1 st July 2021 |
|------------------------------|---------------------------|---------------------------|
| | Kshs | Kshs |
| Bank accounts | - | - |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | - | - |
| Less | - | - |
| Payables: - Retention | - | - |
| Payables – Gratuity | - | - |
| Fund Balance Brought Forward | - | - |

[Provide short appropriate explanations as necessary]

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) | - | - |
| Deposit and Retentions held during the year (B) | - | - |
| Deposit and Retentions paid during the Year (C) | - | - |
| closing account payables D= A+B-C | - | - |
| Net changes in accounts payables D-A | - | - |

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

| | 2022-2023 | 2021-2022 |
|---------------------------|-----------|-----------|
| | Kshs | Kshs |
| NGCDFC Staff | 1,119,100 | - |
| Others (<i>specify</i>) | - | - |
| Total | - | - |

19.3: Unutilized Fund (See Annex 3)

| | 2022-2023 | 2021-2022 |
|---|--------------------|-----------|
| | Kshs | Kshs |
| Compensation of employees | 4,582,170 | - |
| Committee expense | 2,749,019 | - |
| Use of goods and services | 4,900,913 | - |
| Amounts due to other Government entities (see attached list) | 39,367,890 | - |
| Amounts due to other grants and other transfers (see attached list) | 80,908,920 | - |
| Acquisition of assets | - | - |
| Oversight Committee Expenses | 1,519,602 | - |
| Other Payments (<i>specify</i>) | - | - |
| Funds pending approval | - | - |
| Total | 134,028,514 | - |

19.4: PMC account balances (See Annex 5)

| | <i>2022-2023</i> | <i>2021-2022</i> |
|--|------------------|------------------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | 241,316 | 5,203,014 |
| Total | 241,316 | 5,203,014 |

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XVI. 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 | | | | | |

Annex 2 - Analysis of Pending Staff Payables

| Name of Staff | Designation | Date employed | Outstanding Balance 30 th June 20xx | Comments |
|----------------------|---------------------------|---------------|---|----------------|
| NG-CDFC Staff | | | | |
| FELISTER SAMWEL | Office Admin/Secretary | 2018 | 282,720.00 | Yet to be paid |
| ERICK KOMBO | Security | 2018 | 200,260.00 | Yet to be paid |
| RICHARD ASINDA | Driver | 2018 | 212,040.00 | Yet to be paid |
| CHARES MAUNCHO | Accountant | 2018 | 424,080.00 | Yet to be paid |
| Sub-Total | | | | |
| Grand Total | | | 1,119,100 | |

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Annex 3 – Unutilized Fund

| Name | Brief Transaction Description | Outstanding Balance Current FY | Outstanding Balance Previous FY | Comments |
|---|---|--------------------------------|---------------------------------|----------|
| Compensation of employees | | 2,201,498 | 2,091,000 | |
| Use of goods & services | | - | 6,620,500 | |
| Amounts due to other Government entities | Pending disbursements due to late receipts of funds | 39,367,890 | - | |
| | | | | |
| | | | | |
| Sub-Total | | | | |
| Amounts due to other grants and other transfers | Pending disbursements due to late receipts of funds | 88,880,653 | - | |
| | | | | |
| | | | | |
| Sub-Total | | | | |
| Acquisition of assets | | | | |
| | | | | |
| Oversight Committee Expenses (itemize) | | 1,519,602 | - | |
| | | | | |
| Others (<i>specify</i>) | | | | |
| | | | | |
| | | | | |
| Sub-Total | | | | |
| Funds pending approval | | | | |
| Grand Total | | | | |

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Annex 4 – Summary of Fixed Asset Register

| Asset class | Historical Cost b/f (Kshs) 2020/21 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2021/22 |
|--|---|--|--|---|
| Land | | | | |
| Buildings and structures | 27,500,000 | - | - | 27,500,000 |
| Transport equipment | 8,728,843 | - | - | 8,728,843 |
| Office equipment, furniture and fittings | 2,705,440 | - | - | 2,705,440 |
| ICT Equipment, Software and Other ICT Assets | 973,700 | - | - | 973,700 |
| Other Machinery and Equipment | - | - | - | - |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 39,907,983 | - | - | 39,907,983 |

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

| PMC | Bank | Account number | Bank Balance Current FY | Bank Balance Previous FY |
|-----------------------------|----------------------|----------------|-------------------------|--------------------------|
| NYANGENA DOK PRIMARY SCHOOL | Equity Kisii Branch | 510282183535 | 333.00 | 500.00 |
| EMANGA DEB PRIMARY SCHOOL | Equity Kisii Branch | 510282033175 | 129.00 | 695.00 |
| KERORA DOK PRIM SCHOOL | Equity Kisii Branch | 510281271591 | 162.00 | 1,550.00 |
| BONYUNYU DOK PRIM SCHOOL | Equity Keroka Branch | 1240281236626 | 602.00 | 1,550.00 |
| KIOMONSO ELCK PRIM SCHOOL | Equity Keroka Branch | 1240281235583 | 15.00 | 15.00 |
| GETENI DOK PRIM SCHOOL | Equity Keroka Branch | 1240281236458 | 155.00 | 1,550.00 |
| RIABAGAKA DEB PRIM SCHOOL | Equity Keroka Branch | 1240281238406 | 102.00 | 1,550.00 |
| NYARIACHO DEB PRIM SCHOOL | Equity Keroka Branch | 1240280752535 | 133.00 | 1,550.00 |
| NYASORE PRIM SCHOOL | Equity Keroka Branch | 1240282293426 | 147.00 | 1,487.00 |
| NYAMAKOROTO PRIM SCHOOL | Equity Keroka Branch | 1240279515349 | 209.00 | 2,477.00 |
| RISA DEB PRIM SCHOOL | Equity Keroka Branch | 1240280628119 | 25.00 | 1,500.00 |
| GESIMA DEB PRIM SCHOOL | Equity Keroka Branch | 1240281309062 | 50.00 | 50.00 |
| NYANTARO DEB PRIM SCHOOL | Equity Keroka Branch | 1240281299634 | 2,994.00 | 2,994.00 |
| SIRATE PRIM SCHOOL | Equity Keroka Branch | 510281368310 | 50.00 | 50.00 |
| GEKANO DOK PRIM SCHOOL | Equity Kisii Branch | 510281419461 | 4,550.00 | 4,550.00 |
| RIOGORO PRIM SCHOOL | Equity Kisii Branch | 5102814349536 | 2,632.00 | 2,632.00 |
| NYAKONGO DOK PRIM SCHOOL | Equity Kisii Branch | 510282062872 | 550.00 | 550.00 |
| KIOGUTWA SDA PRIM SCHOOL | Equity Kisii Branch | 510282413304 | 1,000.00 | 1,000.00 |
| RIOGORO PRIM SCHOOL | Equity Kisii Branch | 510281349536 | 2,632.00 | 2,632.00 |

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| PMC | Bank | Account number | Bank Balance Current FY | Bank Balance Previous FY |
|---------------------------------|----------------------|----------------|-------------------------|--------------------------|
| KENYERERE DOK PRIMARY SCHOOL | Equity Keroka Branch | 510282464206 | 1,000.00 | 1,000.00 |
| NYANCHONORI DOK PRIMARY SCHOOL | Equity Keroka Branch | 1240282268986 | 1,488.00 | 1,488.00 |
| BITICHA DOK PRIMARY SCHOOL | Equity Keroka Branch | 1240282286210 | 2,487.00 | 2,487.00 |
| KEGOGI DOK PRIMARY SCHOOL | Equity Keroka Branch | 1240282257235 | 2,487.00 | 2,487.00 |
| MOSOBETI DOK PRIMARY SCHOOL | Equity Keroka Branch | 1240282553384 | 1,487.00 | 1,487.00 |
| NYARONGE DEB PRIMARY SCHOOL | Equity Keroka Branch | 1240282324736 | 1,487.00 | 1,487.00 |
| NYAKONGO DEB PRIMARY SCHOOL | Equity Keroka Branch | 1240282461309 | 1,487.00 | 1,487.00 |
| IRANYA PRIMARY SCHOOL | Equity Keroka Branch | 1240282501788 | 3,396.00 | 3,396.00 |
| SUNGUTUTA PRIMARY SCHOOL | Equity Keroka Branch | 1240279654234 | 1,704.00 | 1,704.00 |
| KEBUKO PRIMARY SCHOOL | Equity Keroka Branch | 1240282342166 | 4,550.00 | 4,550.00 |
| RIAMONI PRIMARY SCHOOL | Equity Keroka Branch | 1240281255414 | 1,487.00 | 1,487.00 |
| NYAMOTENENIO PRIMARY SCHOOL | Equity Keroka Branch | 1240282318372 | 1,487.00 | 1,487.00 |
| NYABUYA PRIMARY SCHOOL | Equity Keroka Branch | 1240282344339 | 1,500.00 | 1,500.00 |
| NYAISA SDA PRIMARY SCHOOL | Equity Keroka Branch | 1510282382339 | 500.00 | 500.00 |
| IKOBE PRIMARY SCHOOL | Equity Keroka Branch | 510282373731 | 500.00 | 500.00 |
| KIABIRAA DEB PRIMARY SCHOOL | Equity Keroka Branch | 510282564903 | 2,000.00 | 2,000.00 |
| NYAGECHENCHE DOK PRIMARY SCHOOL | Equity Keroka Branch | 510282614332 | 400.00 | 400.00 |
| NYAGUKU DOK PRIMARY SCHOOL | Equity Keroka Branch | 510282575748 | 52,100.00 | 52,100.00 |
| RIONGUTI DOK PRIMARY SCHOOL | Equity Keroka Branch | 510282503363 | 2,240.00 | 2,240.00 |
| KENYAMWARE DEB PRIMARY SCHOOL | Equity Keroka Branch | 1240281193363 | 301.00 | 402,550.00 |

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| PMC | Bank | Account number | Bank Balance Current FY | Bank Balance Previous FY |
|---------------------------------|----------------------|----------------|-------------------------|--------------------------|
| NYAMWANGA DOK PRIMARY SCHOOL | Equity Keroka Branch | 510282517640 | 562.00 | 1,000,000.00 |
| KENYERERE PAG PRIMARY SCHOOL | Equity Keroka Branch | 1240282464494 | 1,988.00 | 1,988.00 |
| RIEGECHURE DEB PRIMARY SCHOOL | Equity Keroka Branch | 510282561556 | 135.00 | 1,000,000.00 |
| ITONGO SENGERA DEB PRIM. SCHOOL | Equity Keroka Branch | 1240279129971 | 301.00 | 251,640.00 |
| KEBOBA DEB PRIMARY SCHOOL | Equity KISII Branch | 1240282644938 | 236.00 | 199,488.00 |
| RIOMANGA SEC. SCHOOL | Equity Keroka Branch | 1240282328844 | 123,028.00 | 123,028.00 |
| MOCHENWA SEC. SCHOOL | Equity Keroka Branch | 1240281416329 | 1,100.00 | 1,100.00 |
| MACHURURIATI SEC. SCHOOL | Equity Keroka Branch | 1240281314018 | 169.00 | 199,550.00 |
| RIOSIAGO SEC. SCHOOL | Equity Keroka Branch | 1240281313540 | 2,550.00 | 2,550.00 |
| NYAKONGO HIGH SCHOOL | Equity Keroka Branch | 1240280034134 | 4,063.00 | 4,063.00 |
| NYANKOBA SEC. SCHOOL | Equity Keroka Branch | 1240282401733 | 190.00 | (390.00) |
| RIGOMA GIRLS HIGH SCHOOL | Equity Keroka Branch | 1240282614197 | 500.00 | 500.00 |
| ST. DANES ERONGE SEC. SCHOOL | Equity Keroka Branch | 1240280036499 | 400.00 | 500,975.00 |
| MONGONI SEC. SCHOOL | Equity Keroka Branch | 1240279738419 | 3,815.00 | 3,815.00 |
| KARANTINI SDA SECONDARY SCHOOL | Equity Keroka Branch | 1240282350210 | 120.00 | 300,000.00 |
| TOMBE MIXED SEC. SCHOOL | Equity KISII Branch | 510282374983 | 251.00 | 700,000.00 |
| ST. LUKES NYASUMI SEC.SCHOOL | Equity Keroka Branch | 1240282644136 | 1,350.00 | 399,488.00 |
| Total | | | 241,316.00 | 5,203,014.00 |

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) |
|--|--|---|--------------------------------------|--|
| KM/AUDIT/2021/2022/001 | The statement of receipts and payments reflects other grants and transfers amount of Kshs.107,353,870 which, as disclosed in Note 7 to the financial statements, includes expenditure on emergency projects of Kshs.4,840,000. However, examination of payment vouchers revealed the following payment amounting to Kshs 1,278,000 that were not disclosed in the financial statement. | The three payment vouchers included in the queries were emergency expenses for the last financial years meant for the Covid mitigation measures. It was a filing error that the vouchers were found in the lot for the transactions in the current audit review. The vouchers are annexed with this report for further scrutiny. | Resolved | |
| KM/AUDIT/2021/2022/002 | Included in the approved code list for financial year ended 30 June, 2022 is an amount Kshs.2,741,778 allocated for implementation of environment projects, which comprises Kshs.1,841,777 relating to planting trees seedlings in nineteen (19) primary schools at a cost Kshs.96,939 and Kshs.900,000 in respect of | Its true that Sports and environment sectors were not implemented due to the fact that since covid 19 many of the PMC were disgruntled and the NGCDF committee felt to reorganize the formation of new ones and reorganize the various structures for better utilization of resources and management. Upon completion of the new PMC's the financial year came to an end and the implementation of both sectors commenced immediately after the end of the financial year under review. | Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe (Put a date when you expect the issue to be resolved) |
|--|---|---|--------------------------------------|--|
| | <p>3-doors toilets for Gekano DOK, Geteni and Nyakongo Primary Schools for persons living with disabilities at a cost of Kshs.300,000 each. Further, the approved code list includes an Kshs.2,741,778 for sports activities to organize Constituency sports tournament and award of balls and game skits to the participating teams in all wards.</p> <p>However, examination of expenditures returns or ledgers details revealed that the projects the sports and environment projects were not implemented during the year under review as there were no records of the projects in the ledgers and also in the projects implementation status reports for the financial year.</p> | | | |
| KM/AUDIT/2021/2022/003 | <p>The transfers to other government units balance of Kshs.118,877,758 includes transfers to primary schools amount of Kshs.66,000,000 which includes an expenditure of Kshs.900,000 on five (5) projects</p> | <p>Its true some of our projects are not properly branded. This is an omission and negligence by the PMCs to factor the branding element in their procurement and cost estimates during budget.</p> <p>However, the NGCDF committee is making every effort to make sure that all projects funded by NGCDF Board must be branded for ease of</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) |
|--|---|--|--------------------------------------|--|
| | <p>as detailed below.:</p> <p style="text-align: center;">School Nyakongo DEB primary Riamoni primary school Nyamakoroto DOK primary Kenyerere PAG primary Mokomoni SDA primary Total</p> | identification. | | |
| KM/AUDIT/2021/2022/004 | <p>Included in transfer to other government units balance of Kshs.118,877,758 is transfers to secondary schools amount of Kshs.52,877,758 out of which, Kshs,1,500,000 was utilized on construction of a dormitory at Rigoma Girls Secondary School. According to the approved code list for the year under review, the approved project was construction of a dining hall at the school. However, approval of the Board for the change of the project was not provided for audit. In addition, audit inspection carried out on 13 March, 2023 revealed that the construction of the dormitory was still in progress.</p> | <p>Its indeed true that the Rigoma Girls School Board of Management (BOM) PMC changed the NGCDF Board approved project activity from construction of a dining hall to construction of the girls dormitory.</p> <p>Upon interrogating the school management, they confirmed that, the dining hall was funded by the infrastructure funds to completion. Upon release of NGCDF fund, they found the project was complete and saw need for the construction of girls dormitory storey building is now at send floor co-funded by the ministry of education.</p> <p>The request for the change of project activity was presented before the NGCDF committee forward submission to the board and so far the response has not been received.</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) |
|--|--|---|--------------------------------------|--|
| KM/AUDIT/2021/2022/005 | <p>Included in the transfers to secondary schools amount of Kshs.52,877,758 is an amount of Kshs,1,000,000 transferred Tombe Girls Secondary School for the completion of four (4) classrooms on 1st floor of an existing building. The project started in the financial year 2005/2006 when the foundation was laid. As at 30 June, 2022, a total of Kshs.5,326,210 had been spent on the project. However, audit inspection carried out on 21 March, 2023 revealed that the project was incomplete and no works were going on. Management explained that the slow implementation progress of the project was due to underfunding.</p> | <p>Its true that the project is 80% complete. Three of the four classrooms in the first floor are complete but the access stair case and ram are not been constructed. The temporary wooden used during construction cannot be used by students to access them.</p> <p>Advisory: The NGCDF committee and the audit team advised the management to spend the Kshs. 500,000 for the immediate construction of the stair case and ram for disability to access the classrooms immediately.</p> <p>More funds are required to complete the unfinished parts i.e flooring, painting, and branding of the project.</p> <p>Its through this that the value of money could be realize by the institution.</p> | Resolved | |
| | <p>According to note 5 to the financial statements, the Fund did not incur any insurance costs during the year under review and in the previous year, meaning the fixed assets listed in Annex 4 – Summary of Fixed Assets Register with historical cost of Kshs.39,907,983 were not</p> | <p>Its true the committee has net insured the fixed assets worth of Kshs. 39,907,983. The committee had taken the matter into account and for this financial year’s budget is a provision for the motor vehicle insurance being taken into account as give in the extract attached.</p> <p>See Annex 1.6: Motor vehicle Insurance Extract of</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) | | | | | | | | | | | | | | | | |
|--|---|--|--------------------------------------|---|--------|--------|---------------------------------------|--|---------|----------|-------------------------|------------------------------------|---------|----------|-----------------------|---|--------|----------|--|--|
| | insured as required by Section 36(3) of the National Government Constituencies Development Fund Act, 2015. | <p>the 2022/2023fy budget</p> <table border="1" data-bbox="1086 454 1668 1005"> <thead> <tr> <th>PROJECT NAME</th> <th>ACTIVITY</th> <th>AMOUNT</th> <th>STATUS</th> </tr> </thead> <tbody> <tr> <td>Maintenance Expenses - Motor Vehicles</td> <td>Payment of Maintenance Expenses - Motor Vehicles</td> <td>625,000</td> <td>On Going</td> </tr> <tr> <td>Motor Vehicle Insurance</td> <td>Payment of Motor Vehicle Insurance</td> <td>231,577</td> <td>On Going</td> </tr> <tr> <td>National Celebrations</td> <td>Payment of National Celebrations Expenses</td> <td>45,000</td> <td>On Going</td> </tr> </tbody> </table> | PROJECT NAME | ACTIVITY | AMOUNT | STATUS | Maintenance Expenses - Motor Vehicles | Payment of Maintenance Expenses - Motor Vehicles | 625,000 | On Going | Motor Vehicle Insurance | Payment of Motor Vehicle Insurance | 231,577 | On Going | National Celebrations | Payment of National Celebrations Expenses | 45,000 | On Going | | |
| PROJECT NAME | ACTIVITY | AMOUNT | STATUS | | | | | | | | | | | | | | | | | |
| Maintenance Expenses - Motor Vehicles | Payment of Maintenance Expenses - Motor Vehicles | 625,000 | On Going | | | | | | | | | | | | | | | | | |
| Motor Vehicle Insurance | Payment of Motor Vehicle Insurance | 231,577 | On Going | | | | | | | | | | | | | | | | | |
| National Celebrations | Payment of National Celebrations Expenses | 45,000 | On Going | | | | | | | | | | | | | | | | | |
| | The PMC bank balances schedule at Annex 5 reflects bank balances as at 30 June, 2022 totaling to Kshs.5,203,011. However, the supporting certificates of bank balances or bank statement were not provided for audit. | Its true during audit review, the PMC did not provide evidence to support the balances held in various bank accounts. However, effort has been reached and some sampled bank statements are availed with this response. | Resolved | Within 7 days | | | | | | | | | | | | | | | | |
| | The statement of assets and liabilities reflects cash and cash | Its true, by the end of financial year were unrepresented cheque amounting to the figure give. | | | | | | | | | | | | | | | | | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | <p>equivalent balance of Kshs.631,054. However, bank reconciliation statement as at 30 June 2022 reflects payments in the cash book not yet recorded in the bank statement (Unpresented cheques) amounting to Kshs.6,046,812, some dating back to January, 2022, majority of which relate to bursaries for payment of school fees to various learning institutions. It is not clear why the cheques remained unpresented despite the fact that the beneficiaries were in need of the bursaries.</p> | <p>The committee processed bursaries in the month of march, 2022 of whom many of payments were bursaries which had not been presented to various learning institutions. However, those cheques have been presented and true bank reconciliations shows a clear status of the financial position.</p> | | |

.....

 Name: JOHN ONGER
 Fund Account Manager.