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THE NATIONAL ASSEMBLY

13<sup>TH</sup> PARLIAMENT – THIRD SESSION

.....

**FOURTH REPORT OF THE DECENTRALIZED FUNDS ACCOUNTS COMMITTEE  
(DFAC)**

ON ITS EXAMINATION OF THE REPORTS OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) ACCOUNT FOR THE FINANCIAL YEARS 2016/17, 2017/18, 2018/19, 2019/20, 2020/21 AND 2021/22

Directorate of Audit, Appropriation &  
General Purpose Committees  
The National Assembly  
Parliament Buildings  
NAIROBI

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 21 MAR 2024	BY: <i>1thurs</i>
TABLED BY:	<i>Hon Gideon Mulyungi, cps, mp Chairperson, Decentralized Funds Acc.</i>
CLERK AT THE TABLE:	<i>Gertrude Chebet</i> MARCH, 2024

NATIONAL ASSEMBLY  
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## **ABBREVIATIONS AND ACRONYMS**

CDF	Constituencies Development Fund
CoK	Constitution of Kenya, 2010
FAM	Fund Account Manager
FY	Financial Year
GOK	Government of Kenya
IPSAS	International Public Sector Accounting Standards
MP	Member of Parliament
NG-CDF	National Government Constituencies Development Fund
PMC	Project Management Committee
PSASB	Public Sector Accounting Standards Board
OAG	Office of the Auditor General
PFM	Public Finance Management
MIS	Management Information System
VBMS	Vote Book Management System
ERP	Enterprise Resource Planning
IFMIS	Integrated Financial Management System
EDM	Email and Electronic Document Management
IB	Internet Banking

## **CHAIRPERSON'S FOREWORD**

The Decentralized Funds Accounts Committee is amongst the six Watchdog Committees in the Thirteenth Parliament that examines reports of the Auditor-General laid before the National Assembly to ensure probity, efficiency, and effectiveness in the use of public funds. The Committee is established pursuant to the National Assembly Standing Orders 205B and is mandated to examine reports of the Auditor-General for the National Government Constituencies Development Fund, among other funds.

Oversight over national revenue and expenditure is amongst the roles of the National Assembly as stipulated under Article 95 (4) (c) of the Constitution of Kenya, 2010. Further, Article 226 of the Constitution provides that an Act of Parliament shall provide for the designation of an Accounting Officer in every public entity at the national level who is accountable to the National Assembly for its financial management. In addition, Article 229(8) mandates this House to debate and take appropriate action on audit reports from the Auditor-General.

In fulfilment of these constitutional provisions, the Committee examines reports of the Auditor-General for the National Government Constituencies Development Fund, National Government Constituencies Development Fund Board, the National Government Affirmative Action Fund and the National Government Affirmative Action Fund Board.

In examining the reports of the Auditor General on the Accounts of the National Government Constituencies Development Fund, the Committee held three sittings where it invited and received oral and written submissions from the Chief Executive Officer of the National Government Constituencies Development Fund for financial years 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 to 2021/2022, being the Accounting Officer of the NG-CDF as provided under Section 67 (1) of PFM Act, 2012.

The submissions formed the basis of observations, findings and recommendations of the Committee as outlined in this report under each of the audit queries. These are also contained in the Minutes and Hansard Reports of Committee proceedings.

The Committee commends the Chief Executive Officer of the NG-CDF Board for preparing his responses in time and appearing before the Committee as scheduled.

The Committee appreciates the Offices of the Speaker and the Clerk of the National Assembly for the support accorded to it to enable it to perform its mandate. The Committee further extends its appreciation to the Office of the Auditor general for the services it offered during the examination of the reports as well the National Treasury for the technical support provided.

I also extend my appreciation to the Members of the Committee for their Commitment and the Secretariat whose contributions and dedication to duty has enabled the Committee to examine the audited Accounts and produce this report.

Hon. Speaker, on behalf of the Decentralized Funds Accounts Committee and pursuant to Standing Orders 199, it is my pleasant duty and honor to present to the House the fourth report of the Committee on its examination of the audited financial statements for the National Government Constituencies Development Fund (NG-CDF) Accounts for financial years 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022.

**HON. DR. GIDEON MULYUNGI, CBS, EBS, M.P.**

**CHAIRPERSON, DECENTRALIZED FUNDS ACCOUNTS COMMITTEE**

## CHAPTER ONE

### 1.0 PREFACE

#### 1.1 Establishment and mandate of the Committee

1. The Decentralized Funds Accounts Committee is a Select Committee established pursuant to the National Assembly Standing Orders 205B and is responsible for the examination of the reports of Auditor-General on the accounts of:
  - a) The National Government Constituencies Development Fund
  - b) The National Government Constituencies Development Fund Board
  - c) The National Government Affirmative Action Fund
  - d) The National Government Affirmative Action Fund Board.
2. The National Assembly's roles include oversight over the national revenue and expenditure as per Article 95(4) (c) of the Constitution of Kenya. Article 229(8) mandates the National Assembly to debate and take appropriate action on audit reports within three months of receipt of the reports from the Auditor-General. The Committee in considering the Audited Accounts is guided by various legal provisions as contained in various Acts of Parliament which include:
  - i. The Constitution of Kenya, 2010
  - ii. The Standing Orders
  - iii. Public Audit Act, 2015
  - iv. Public Finance Management Act, No. 18 of 2012 and its regulations
  - v. Public Procurement & Asset Disposal Act, 2015 and its regulations
  - vi. National Government Constituency Development Act, 2015 and its regulations
  - vii. Public Finance Management (National Government Affirmative Action Fund) Regulations, 2016.
3. Further, section 68(1) of the Public Finance Management (PFM) Act, 2012 requires accounting officers for national government entities, including public funds, Parliamentary Service Commission, and the Judiciary, to be accountable to the National Assembly through the relevant Committee.
4. The Decentralized Funds Accounts Committee is among the Committees of Parliament established under Article 124 of the Constitution of Kenya, 2010, to assist the National Assembly in undertaking its constitutional mandate geared towards enhanced accountability in handling public funds.

## 1.2 Guiding Principles: Constitutional and Legal Provisions on Public Finance

5. The principles of public finance under Article 201 of the Constitution of Kenya 2010 guide the Committee in the execution of its mandate. The principles require openness, accountability, public participation in financial matters, prudence, and responsible use of public funds. Further, Article 226 (5) provides that “If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not”.
6. The various legal provisions, include;
  - (i) the Public Finance Management (PFM) Act, 2012;
  - (ii) the Public Audit Act, 2015;
  - (iii) the Public Procurement and Asset Disposal Act, 2015
7. Section 68 (1) of the PFM Act, 2012 provides, inter alia, that- “An accounting officer for a national government entity including Public Funds, Parliamentary Service Commission and the Judiciary is accountable to the National Assembly. The Accounting Officer is required to ensure that the resources of the respective entity for which he or she is responsible are used in a way that is lawful and authorized, and effective, efficient, economical, and transparent”.
8. The Committee relied on these Constitutional and Legal Provisions as the basis for inviting the accounting officers of the Funds to respond to issues raised by the Auditor-General. During consideration of the audit reports, the Committee also relied on additional information submitted to it on the administration and performance of the Funds to come up with general recommendations geared towards effective management and operations of the Funds as well as improved accountability and financial reporting.



### 1.3 Committee Membership

9. The Committee comprises of the following fifteen(15) members:

#### **Chairperson**

Hon. Dr. Gideon Mutemi Mulyungi, CBS, EBS, M.P.  
Member for Mwingi Central Constituency  
**Wiper Democratic Movement-Kenya**

#### **Vice-Chairperson**

Hon. Gertrude Mwanyanje Mbeyu, M.P.  
Member for Kilifi County  
**Orange Democratic Movement**

Hon. Mejjadonk Benjamin Gathiru M.P.  
Member for Embakasi Central Constituency  
**United Democratic Alliance**

Hon. Kahangara Joseph Mburu M.P.  
Member for Lari Constituency  
**United Democratic Alliance**

Hon. Caroline Jeptoo Ng'elechei M.P.  
Member for Elgeyo Marakwet County  
**Independent Member**

Hon. Barre Hussein Abdi M.P.  
Member for Tarbaj Constituency  
**United Democratic Alliance**

Hon. Wanyonyi Martin Pepela M.P.  
Member for Webuye East Constituency  
**Ford Kenya**

Hon. Guyo Adhe Wario M.P.  
Member for North Horr Constituency  
**KANU**

Hon. Kipngor Reuben Kiborek M.P.  
Member for Mogotio Constituency  
**United Democratic Alliance**

Hon. Mboni David Mwalika M.P.  
Member for Kitui Rural Constituency  
**Wiper Democratic Movement – Kenya**

Hon. Momanyi Innocent Obiri M.P.  
Member for Bobasi Constituency  
**Wiper Democratic Movement – Kenya**

Hon. Mogaka Stephen M.P.  
Member for West Mugirango Constituency  
**Jubilee Party**

Hon. Dorothy Muthoni Ikiara M.P.  
Member for Meru County  
**United Democratic Alliance**

Hon. Osogo Bensuda Joyce M.P.  
Member for Homabay County  
**Orange Democratic Movement**

Hon. Lentoijoni Jackson Lekumontare M.P.  
Member for Samburu East Constituency  
**KANU**

#### 1.4 Committee Secretariat

10. The Secretariat facilitating the Committee comprises of the following staff:

Ms. Ruth Mwhaki Gakuya  
Clerk Assistant I/Lead Clerk

Mr. John Mutinda  
Clerk Assistant III

Ms. Sharon Cherotich Koskei  
Clerk Assistant III

Mr. Mabuti Mutua  
Legal Counsel II

Ms. Elizabeth Kibati  
Research Officer III

Mr. Wilson Mwangi  
Fiscal Analyst III

Ms. Winifred Kiziah  
Media Relations Officer II

Mr. Wilson Angatangoria  
Serjeant-at-Arms II

Mr. Eric Ogolo  
Protocol Officer I

Mr. Muchiri Mwangi  
Audio Officer III

## CHAPTER TWO

### **2.0 CONSIDERATION OF THE REPORTS OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) ACCOUNT FOR FINANCIAL YEARS 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 AND 2021/2022.**

11. The Chief Executive Officer, Mr. Yusuf Mbuno, appeared before the Committee on 28<sup>th</sup> September 2023, to respond to the audit matters raised in the report of the Auditor General for NG-CDF Account for the Financial Years 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 to 2021/2022 and made submissions as follows:

#### **2.1.1 Audited Statements for Financial Year 2016/2017**

12. The Committee noted that during the Financial Year 2016/2017 the Fund received an **unqualified** audit opinion from the Auditor General as there were no material issues reported.

#### **2.1.2 Audited Statements for Financial Year 2017/2018**

##### **1. Other grants and transfers**

13. The statement of receipts and payments reflects other grants and transfers of Kshs.21,884,358,540 which as detailed on note 2 of the financial statements includes an amount of Kshs. 1,325,000,000 transfer to NG-CDF Board Secretariat. However, although the amount is supposed to be 5% of the total allocation. Based on the reported receipts of Kshs. 21,875,000,000 the total transfers to the Secretariat should have been Kshs.1,093,750,000 the total transfers was overstated by Kshs. 231,250,000. No explanation has been provided for the above variance. Consequently, the accuracy and validity of other grants and transfers figure of Kshs.21,884,358,540 for the year ended 30 June 2018 could not be confirmed.

#### **Management Response**

14. The Fund was allocated Kshs 26.5 billion in Financial Year 2017-2018 and an additional 3.3 billion through a supplementary budget. This totaled to Kshs 29.8 allocation in Financial Year 2017-2018.
15. Sec 23(1) of the NG-CDF Act provides that. "The expenditure for running the Board and related purposes shall be set aside at the beginning of the financial year and not more than

five per centum of the total allocation to the Fund in the financial year may be used for this purpose, the annual budget of which shall be approved by the Cabinet Secretary with the concurrence of the National Assembly Committee.

16. Pursuant to the above, the Board set aside Kshs 1,325,000,000 which is 5% of the original budget allocated to the Fund of Kshs. 26,500,000,000 towards the expenditure for running the Board in financial year 2017/2018. The amount was disbursed to the Board secretariat account as follows:

<b>Date Received</b>	<b>2017/2018</b>
30.01.2018	132,220,000
16.05.2018	513,300,000
06.06.2018	679,480,000
<b>Total</b>	<b>1,325,000,000</b>

#### ***Committee Observations***

17. The Committee observed that:
- (i) An additional 3.3 billion was allocated to the Board in the Financial Year 2017/2018 through a supplementary budget.
  - (ii) The response given by Management was satisfactory and the query stands resolved.

#### **2. Transfer from other government entities**

18. The statement of receipts and payments for the year ended 30 June 2018 and Notes 1 of the financial statements reflects transfers from other Government Entities amounting to Kshs. 21,875,000,000. However, there are differences amounting to Kshs.7, 925,000,000 between the amounts reported as disbursed by the State Department for Planning of Kshs.29, 800,000,000 and the amounts reflected in the financial statements of the fund.
19. Consequently, the accuracy of the transfers from other government entities figure of Kshs.21, 875,000,000 for the year ended 30 June 2018 cannot be confirmed.

#### **Management Response**

20. The Financial Statement for the Fund is prepared in accordance with the Cash Basis Accounting Method under the International Public Sector Accounting Standards (IPSAS)

where transactions are recognized only when cash is received or paid out. Out of the total allocation of **Kshs. 29,800,000,000** in financial Year 2017/2018, **Kshs. 21,875,000,000** was received within the financial year as follows:

<b>No.</b>	<b>Date</b>	<b>Amount Received</b>
1	19 <sup>th</sup> January 2018	2,000,000,000
2	29 <sup>th</sup> January 2018	2,000,000,000
3	13 <sup>th</sup> February 2018	2,000,000,000
4	16 <sup>th</sup> February 2018	2,000,000,000
5	26 <sup>th</sup> February 2018	2,000,000,000
6	27 <sup>th</sup> March 2018	2,000,000,000
7	10 <sup>th</sup> April 2018	2,000,000,000
8	16 <sup>th</sup> April 2018	2,000,000,000
9	10 <sup>th</sup> May 2018	2,000,000,000
10	18 <sup>th</sup> May 2018	1,875,000,000
11	28 <sup>th</sup> May 2018	2,000,000,000
	<b>Total</b>	<b>21,875,000,000</b>

21. The balance of **Kshs.7, 925,000,000** was received in Financial Year **2018/2019** and was therefore recognized as receipts in financial year **2018/2019** financial statements. The funds were received as follows;

<b>No.</b>	<b>Date</b>	<b>Amount received</b>
1	3 <sup>rd</sup> July 2018	2,125,000,000
2	5 <sup>th</sup> July 2018	5,800,000,000
	<b>Total</b>	<b>7,925,000,000</b>

### ***Committee Observations***

22. The Committee observed that:

- (i) According to the International Public Sector Accounting Standards (IPSAS), the Financial Statement for the Fund is prepared using the Cash Basis Accounting Method, which requires that transactions be recorded only when cash is received or disbursed.

- (ii) The Board availed the IPSAS standard, extract of the report of the Auditor General on NGCDF-Central Bank Account for the year ended 30<sup>th</sup> June 2019 and copy of the Fund bank statements for audit review.
- (iii) The matter was adequately addressed and the audit query resolved.

#### ***Committee Recommendation***

23. The Committee recommends that the National Treasury should ensure timely disbursement of funds to the National Government Constituencies Development Fund Account and that all funds allocated to the Board in a particular financial year are disbursed within that financial year.

### **3. Internal control weakness**

24. The internal control system of the NG-CDF – Central bank account had the following weaknesses.

- i. There were no Board oversight committees such as audit committee to aid in the oversight management and prevent errors of misstatement.
- ii. The Board has NGCDF Management Information System, which was rolled out in 2010, however several departments are not utilizing the system as most operating systems were manual and susceptible to loss of data.
- iii. The financial management system and other internal controls is not automated and integrated with other functions of the Fund. This may lead to data integrity issues.
- iv. The organization does not have an offsite back up location. This may cause the organization not to recover from a disaster.

#### **Management Response**

25. The Board Committees were not in place during the year under review. The organization Board was not fully constituted; therefore, it was not possible for the few members who were there to constitute subcommittee including Audit committee.

26. The audit matters were being handled and addressed by the existing Board members. Subsequently, the Board was fully constituted and Board committees including the audit committee is now in place.

27. The NG-CDF MIS was initiated in 2010 as an enterprise system and it was not until 2016 that it reached user utilization stage. The Departments that were targeted are Programmes, Finance and Registry. The programmes module was expected to automate the process of project submission, approval, implementation and reporting both at the secretariat and constituencies, the finance module was expected to automate financial processes at the

secretariat while the registry module was supposed to digitize the existing records and share the same with authorized recipients.

28. The three modules of the system were implemented based on two approaches and technologies. The programmes module was customized from the scratch using open source technology while the Finance and Registry module was customized off the shelf and implemented using vendor specific technology namely Microsoft.
29. Due to issues arising from users' experience and the statutory requirement of reviewing the NG-CDF ACT from time to time the system had to undergo a number of changes, however the system is operational. In the financial year 2018/2019 the Board started using the system through a parallel run mechanism where both the manual and automated processes run concurrently in order to compare accuracy of results.
30. Currently, the NG-CDFMIS Projects Module is utilized in submission and processing of project proposals, generation of project code list and tracking implementation at PMC level. The MIS is also used to capture supplier information, invoices, voucher preparation and up to payment among other functionalities while the registry module captures, indexes, stores and or dispatches documents and mails received to the intended recipients. The system is further complemented by a Vote Book Management System (VBMS) deployed by the National Treasury and customized to NG-CDF operations to track financial management in the Fund at the constituency level and generation of financial reports.
31. Currently, the MIS system incorporates finance, projects and registry modules. The Finance Module is used to capture supplier information, invoices, voucher preparation and up to payment among other functionalities. In addition, disbursement of funds to the constituencies and the Board secretariat is processed through Integrated Financial Management System (IFMIS) and payment done through Internet banking (IB) platform provided by Central Bank of Kenya.
32. In the current financial year the Board has planned to implement an end to end enterprise resource solution. A business reengineering process is being undertaken to integrate all the functions of the Board into one ERP whose scope include an Online Integrated Enterprise Resource Planning Management, Monitoring and Evaluation System that will consolidate all key functions of all departments and the constituencies to ensure real time planning, approval and reporting to enhance efficiency and effectiveness in line with the presidential directive of paper organizations.

33. The Board has established a server room that hosts a number of critical services such as the email and active security appliances. In addition, the Board in Financial Year 2019/2020 implemented Cloud backup through Safaricom Cloud where there are two virtual servers on two different platforms i.e., Linux and Windows Server. This provides offsite back up for the Boards information and data.
34. In addition, the Board is currently migrating Email and Electronic Document Management (EDMs) to Microsoft 365 Cloud in this financial year. This will offload some onsite operations to the Cloud; where users whether in or out of the office can log in and connect to office anywhere. Microsoft 365 is completely cloud-based, meaning files, email and Office programmes can be accessed on mobile, laptop or desktop from anywhere anytime.

#### *Committee Observations*

35. The Committee observed that:
- (i) The CEO's circular to Fund Account Managers, printout from the finance system, Safaricom cloud contract and Office 365 implementation plan were availed for audit review.
  - (ii) The Management Information System was introduced in the year 2010 but was utilized as from the year 2016. The programmes; finance and registry modules were operationalized later.
  - (iii) The NGCDF Board has since established sub-committees such as audit committee in compliance with to Section 73 (5) of the PFM Act, 2012 which provides that 'Every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations' and Regulation 174 of the PFM (National Government) Regulations, 2015 on establishment of audit committees by national government entities.
  - (iv) The matter was adequately addressed and resolved.

#### *Committee Recommendations*

36. The Committee recommends that the Accounting Officer should ensure the NGCDF Board has effective and efficient internal controls pursuant to Regulation 23 (1) (c) of the PFM (National Government) Regulations, 2015 **which provides that Accounting Officers shall, in accordance with Article 226(2) of the Constitution and section 68(1) of the Act, be accountable to the National Assembly— (c) for maintaining effective systems of internal control and the measures taken to ensure that they are effective.**



### **2.1.3 Audited Statements for Financial Year 2018/2019**

37. The Committee noted that during the Financial Year under review the Fund received an **unqualified** audit opinion from the Auditor General as there were no material issues reported.

### **2.1.4 Audited Statements for Financial Year 2019/2020**

38. The Committee noted that during the Financial Year under review the Fund received an **unqualified** audit opinion from the Auditor General as there were no materials issues reported.

### **2.1.5 Audited Statements for Financial Year 2020/2021**

39. The Committee noted that during the Financial Year under review the Fund received an **unqualified** audit opinion from the Auditor General as there were no materials issues reported.

### **2.1.6 Audited Statements for Financial Year 2021/ 2022**

40. The Committee noted that during the Financial Year under review the Fund received an **unqualified** audit opinion from the Auditor General as there were no material issues reported

### ***Committee Observations***

41. The Committee observed that the NGCDF Board received an **unqualified audit opinion** for the Financial Years 2016/2017, 2018/2019, 2019/2020, 2020/2021 and 2021/ 2022.
42. The Committee commended the Board for the good work and encouraged them to continue with the same spirit.

## CHAPTER THREE

### 3.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

43. Having examined the report of the Auditor General for the National Government Constituency Development Fund Account for the Financial years 2016/2017, 2018/2019, 2019/2020, 2020/2021 and 2021/ 2022, the Committee made the following general observations and recommendations

### 3.1 COMMITTEE OBSERVATIONS

44. The Committee observed that:

- 1) The Auditor General reported only three audit queries in the Financial Year 2017/2018.
- 2) The NG-CDF Board received an unqualified audit opinion in the Financial Years 2016/2017, 2018/2019, 2019/2020, 2020/2021 and 2021/ 2022.
- 3) There were delays in disbursing funds to the NGCDF Account. Consequently, the amounts reported as disbursed by the State Department of Planning for the Financial Year 2017/2018 did not reflect in the Fund accounts balance in the financial statements for the Financial Year since the balances were received in the Financial Year 2018/2019 and recognized as receipts in the same financial year statements, thereby being raised as an audit issue.
- 4) The NG-CDF Board established a server room that hosts a number of critical services such as the email and active security appliances. In addition, in the Financial Year 2019/2020 they implemented Cloud backup through Safaricom Cloud where there are two virtual servers i.e. Linux and Windows Server which provides offsite back up for the Board's information and data.
- 5) The NGCDF Board has established sub-committees such as audit committee in compliance with to Section 73 (5) of the PFM Act, 2012 which provides that '**Every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations**' and Regulation 174 of the PFM (National Government) Regulations, 2015 on establishment of audit committees by national government entities.

### 3.2 COMMITTEE RECOMMENDATIONS

45. The Committee recommends that:

- 1) The National Treasury should:
  - (i) Ensure timely disbursement of funds to the National Government Constituencies Development Fund Account; and
  - (ii) Ensure that all funds allocated to the Board in a particular financial year are disbursed within that financial year.
  
- 2) The Accounting Officer should ensure that the NGCDF Board has effective and efficient internal controls pursuant to Regulation 23 (1) (c) of the PFM (National Government) Regulations, 2015 which provides that **'Accounting Officers shall, in accordance with Article 226(2) of the Constitution and Section 68(1) of the Act, be accountable to the National Assembly— (c) for maintaining effective systems of internal control and the measures taken to ensure that they are effective;**

Sign:  Date: 14<sup>th</sup>/3/2024

**HON. DR. GIDEON MULYUNGI, CBS, EBS, M.P.**

**CHAIRPERSON, DECENTRALIZED FUNDS ACCOUNTS COMMITTEE**

REPUBLIC OF KENYA



NATIONAL ASSEMBLY  
THIRTEENTH PARLIAMENT

DECENTRALIZED FUNDS ACCOUNTS COMMITTEE

ADOPTION SCHEDULE

We, the undersigned members of the Decentralized Funds Accounts Committee, today...14/3/2024.....do hereby affix our signatures to this **FOURTH REPORT OF THE DECENTRALIZED FUNDS ACCOUNTS COMMITTEE AUDITED FINANCIAL STATEMENTS FOR THE NATIONAL GOVERNMENT CONSITUENCIES DEVELOPMENT FUND (NG-CDF) ACCOUNT FOR FINANCIAL YEARS 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 TO 2021/2022** to affirm our approval and confirm accuracy, validity and authenticity: -

	NAMES	SIGNATURE
1.	Hon. Dr. Gideon Mutemi Mulyungi, CBS, EBS, MP Chairperson	
2.	Hon. Gertrude Mbeyu, M.P - ViceChairperson	
3.	Hon. Joseph Kahangara Mburu, M.P	
4.	Hon. David Mwalika Mboni, M.P.	
5.	Hon. Innocent Momanyi Obiri, M.P	
6.	Hon. Mejjadonk Benjamin Gathiru, M.P.	
7.	Hon. Adhe Guyo Wario, M.P.	
8.	Hon. Caroline Jeptoo Ng'elechei, M.P	
9.	Hon. Dorothy Muthoni, Ikiara, M.P	
10.	Hon. Jackson Lentoijoni, Lekumontare, M.P.	
11.	Hon. Abdi Barre Hussein, M.P	
12.	Hon. Joyce Osogo, Bensuda, Atieno, M.P	
13.	Hon. Martin Wanyonyi Pepela M.P	
14.	Hon. Stephen Mogaka, M.P	
15.	Hon. Reuben Kipngor, Kiborek, M.P	

**MINUTES OF THE 17<sup>TH</sup> SITTING OF THE DECENTRALIZED FUND ACCOUNT COMMITTEE HELD ON MONDAY,  
4<sup>TH</sup> DECEMBER 2023, IN HILTON GARDEN INN, MACHAKOS COUNTY AT 10.00AM**

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**PRESENT**

- |   |                  |
|---|------------------|
| 1. Hon. Gideon Mutemi Mulyungi, MP        | Chairperson      |
| 2. Hon. Gertrude Mwanyanje Mbeyu, MP      | Vice-Chairperson |
| 3. Hon. Joseph Kahangara Mburu, MP        |                  |
| 4. Hon. Stephen Mogaka, MP                |                  |
| 5. Hon. Mejjadonk Benjamin Gathiru, MP    |                  |
| 6. Hon. Dorothy Muthoni, Ikiara, MP       |                  |
| 7. Hon. Innocent Momanyi Obiri, MP        |                  |
| 8. Hon. Abdi Barre Hussein, MP            |                  |
| 9. Hon. Adhe Guyo Wario, MP               |                  |
| 10. Hon. Joyce Osogo, Bensuda, Atieno, MP |                  |
| 11. Hon. Martin Wanyonyi Pepela MP        |                  |

**APOLOGIES**

1. Hon. Caroline Jeptoo Ng'elechei, MP
2. Hon. David Mboni Mwalika, MP
3. Hon. Jackson Lentoijoni, Lekumontare, MP
4. Hon. Reuben Kipngor, Kiborek, MP

**IN-ATTENDANCE**

**SECRETARIAT**

- |                         |                             |
|-------------------------|-----------------------------|
| 1. Mr. Emmanuel Muyodi  | Clerk assistant II          |
| 2. Ms. Sylvia Ocharo    | Clerk Assistant III         |
| 3. Mr. John Mutinda     | Clerk Assistant III         |
| 4. Mr. Clinton Sindiga  | Legal Officer II            |
| 5. Ms. Elizabeth Kibati | Research Officer III        |
| 6. Mr. Wilson Mwangi    | Fiscal Analyst              |
| 7. Mr. Calvin Njoroge   | Media Relations Officer III |
| 8. Mr. Muchiri Mwangi   | Audio Officer III           |
| 9. Ms. Zainabu Wario    | Seargent-At-Arms            |

**OFFICE OF THE AUDITOR GENERAL**

Mr. Maurice Oyoo	Principal Auditor
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**NATIONAL TREASURY**

Mr. Simon Kiriiba	Ag. Deputy Director
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**MIN.NO. NA/DAAOSC/ DFAC/2023/53      PRELIMINARIES**

The Chairperson called the meeting to order at 10.15am with a word of prayer and thereafter invited all present to introduce themselves. The agenda was unanimously confirmed having been proposed by Hon. Stephen Mogaka and seconded by Hon. Joseph Mburu Kahangara respectively.

**AGENDA**

1. Prayers
2. Preliminaries/Introduction  
**Consideration and adoption of the reports before the Committee.**
3. Any Other Business
4. Adjournment

**MIN.NO. NA/DAAOSC/ DFAC/2023/54      CONSIDERATION AND ADOPTION OF THE REPORTS BEFORE THE COMMITTEE**

The Committee considered and adopted the following reports with a few amendments as follows:

- i. The Second Report of the Decentralized Funds Accounts Committee on the Audited Financial Statements for the National Government Constituencies Development Fund for five (5) Constituencies in Vihiga County for financial years 2013/2014, 2014/2015 and 2015/2016 after being proposed by the Hon. Stephen Mogaka, MP and seconded by the Hon. Joseph Kahangara Mburu, MP.
- ii. The Third <sup>Report</sup> of the Decentralized Funds Accounts Committee on the Audited Financial Statements for the National Government Constituencies Development Fund for Nine (9) Constituencies in Bungoma County for financial years 2013/2014, 2014/2015 and 2015/2016 after being proposed by the Hon. Dorothy Muthoni, Ikiara, MP and seconded by the Hon Joseph Kahangara Mburu, MP.
- iii. The Fourth Report of the Decentralized Funds Accounts Committee on the Audited Financial Statements for NG-CDF Board for the FYs 2016/17 – 2021/22 after being proposed by the Hon. Innocent Momanyi Obiri, MP and seconded by the Hon. Dorothy Muthoni, Ikiara, MP.
- iv. The Fifth Report of the Decentralized Funds Accounts Committee on the Audited Financial Statements for NG-CDF Fund Account for the FYs 2016/17 – 2021/22 after being proposed by the Hon. Innocent Momanyi Obiri, MP and seconded by the Hon. Dorothy Muthoni, Ikiara, MP.

**MIN.NO.NA/DAAOSC/DFAC/2023/55**

**ADJOURNMENT/DATE OF NEXT SITTING**

There being no other business to deliberate on, the meeting was adjourned at 1:50pm. The next meeting will be held on notice.

SIGNED  DATE 4/12/2023

**HON. DR. GIDEON MUTEMI MULYUNGI, M.P. CBS**

**(CHAIRPERSON)**

**MINUTES OF THE 16<sup>TH</sup> SITTING OF THE DECENTRALIZED FUND ACCOUNT COMMITTEE HELD ON THURSDAY, 28<sup>TH</sup> SEPTEMBER 2023, IN COMMITTEE ROOM, 2<sup>ND</sup> FLOOR, CONTINENTAL HOUSE AT 11.00 AM**

**PRESENT**

1. **Hon. Dr. Gideon Mutemi Mulyungi, CBS, EBS, MP** - **Chairperson**
2. **Hon. Gertrude Mwanyanje Mbeyu, MP** - **Vice-Chairperson**
3. Hon. David Mboni Mwalika, MP
4. Hon. Jackson Lentoijoni, Lekumontare, MP
5. Hon. Caroline Jeptoo Ng'elechei, MP
6. Hon. Mejjadonk Benjamin Gathiru, MP
7. Hon. Abdi Barre Hussein, MP
8. Hon. Dorothy Muthoni, Ikiara, MP
9. Hon. Stephen Mogaka, MP
10. Hon. Adhe Guyo Wario, MP
11. Hon. Joyce Osogo, Bensuda, Atieno, MP

**APOLOGIES**

1. Hon. Innocent Momanyi Obiri, MP
2. Hon. Joseph Kahangara Mburu, MP
3. Hon. Martin Wanyonyi Pepela MP
4. Hon. Reuben Kipngor, Kiborek, MP

**IN-ATTENDANCE**

**SECRETARIAT**

1. Mr. Emmanuel Muyodi - Clerk Assistant II
2. Ms. Sylvia Ocharo - Clerk Assistant III
3. Mr. John Mutinda - Clerk Assistant III
4. Mr. Clinton Sindiga - Legal Counsel II
5. Mr. Benson Muchiri - Audio Officer III
6. Ms. Zainabu Wario - Sergeant At Arms

**NATIONAL GOVERNMENT CONTITUENCIES DEVELOPMENT FUND (NG-CDF)**

1. Mr. Yusuf Mbuno - CEO NG-CDF Board
2. Ms. Beatrice Otieno - Manager Field Financial Coordination
3. Ms. Rahel Chege - NG-CDF Principal Legal Officer
4. Ms. Musau Jackline - Accountant NG-CDF
5. Mr. Maelevis Echwa - FAM - Tongaren
6. Mr. Kirop Merisia - FAM - Kacheliba Ag Tongaren
7. Ms. Carolyne Wanyonyi - FAM - Mt Elgon Ab Sirisia
8. Ms. Joyce Wansala - FAM Kabechai
9. Mr. Paul N Adome - FAM Kimilili & Lucuyani
10. Mr. Alex M Lwamba - FAM Kanduyi

## NATIONAL TREASURY

Mr. Simon K Kiriba - Director

## OFFICE OF THE AUDITOR GENERAL

1. Mr. Joseph K Irungu - Director of Audit
2. Mr. Maurice O Oyoo - Principal Auditor

## MIN.NO. NA/DAAOSC/ DFAC/2023/048      PRELIMINARIES

The Chairperson called the meeting to order at 11.25 am with a word of prayer and thereafter invited all present to introduce themselves. The agenda was unanimously as listed hereunder.

## AGENDA

1. Prayers
2. Preliminaries/Introduction
3. **Examination of the Reports of the Auditor-General on the Accounts of NG-CDF for Financial Years 2015/2016 to 2021/2022.**
4. Any Other Business
5. Adjournment

## MIN.NO. NA/DAAOSC/ DFAC/2023/049

## EXAMINATION OF THE REPORTS OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF NG-CDF FOR FINANCIAL YEARS 2016/2017 TO 2021/2022

The Committee administered the Oath of Affirmation to the Chief Executive Officer Mr. Yusuf Mbuno. He thereafter tabled the NG-CDF Board responses and supporting documents on the audited accounts of Financial Years 2016/2017 to 2021/2022 as follows:

### **FINANCIAL YEAR 2016/2017**

1. The Committee observed that for Financial Year 2015 /16 and 2016/17 the overall audit opinion was **Unqualified** with no material issues reported by the Auditor General.

### **FINANCIAL YEAR 2017/2018**

#### **1. OTHER GRANTS AND TRANSFERS**

2. The statement of receipts and payments reflects other grants and transfers of Kshs.21,884,358,540 which as detailed on note 2 of the financial statements includes an amount of Kshs. 1,325,000,000 transfer to NG-CDF Board Secretariat. However, although the amount is supposed to be 5% of the total allocation. Based on the reported receipts of Kshs. 21,875,000,000 the total transfers to the Secretariat should have been Kshs.1,093,750,000 the total transfers was overstated by Kshs. 231,250,000. No explanation has been provided for the above variance. Consequently, the accuracy and



validity of other grants and transfers figure of Kshs.21,884,358,540 for the year ended 30 June 2018 could not be confirmed.

### Management Response

3. The Fund was allocated Kshs 26.5 billion in Financial Year 2017-2018 and an additional 3.3 billion through a supplementary budget. This totaled to Kshs 29.8 allocation in Financial Year 2017-2018
4. Sec 23(1) of the NG-CDF Act provides that. "The expenditure for running the Board and related purposes shall be set aside at the beginning of the financial year and not more than five per centum of the total allocation to the Fund in the financial year may be used for this purpose, the annual budget of which shall be approved by the Cabinet Secretary with the concurrence of the National Assembly Committee.
5. Pursuant to the above, the Board set aside Kshs 1,325,000,000 which is 5% of the original budget allocated to the Fund of Kshs. 26,500,000,000 towards the expenditure for running the Board in financial year 2017/2018. The amount was disbursed to the Board secretariat account as follows:

Date Received	2017/2018
30.01.2018	132,220,000
16.05.2018	513,300,000
06.06.2018	679,480,000
<b>Total</b>	<b>1,325,000,000</b>

### Committee Observations

6. The Committee made the following observations:
  - i. That the explanation and proof of the additional 3.3 billion was not given during audit exercise.
  - ii. The matter was resolved.
  - iii. The Committee queried whether the NG CDF board is underfunded.

### Committee Recommendation

7. The Committee recommends that the NG-CDF Management Board should adhere to Section 23(1) of the NG-CDF Act which provides that ***"The expenditure for running the Board and related purposes shall be set aside at the beginning of the financial year and not more than five per centum of the total allocation to the Fund in the financial year may be used for this purpose, the annual budget of which shall be approved by the Cabinet Secretary with the concurrence of the National Assembly Committee."***

## 2. TRANSFER FROM OTHER GOVERNMENT ENTITIES

8. The statement of receipts and payments for the year ended 30 June 2018 and Notes 1 of the financial statements reflects transfers from other Government Entities amounting to Kshs. 21,875,000,000. However, there are differences amounting to Kshs.7,925,000,000 between the amounts reported as disbursed by the State Department for Planning of Kshs.29, 800,000,000 and the amounts reflected in the financial statements of the fund.
9. Consequently, the accuracy of the transfers from other government entities figure of Kshs.21,875,000,000 for the year ended 30 June 2018 cannot be confirmed.

### Management Response

10. The Financial Statement for the Fund is prepared in accordance with the Cash Basis Accounting Method under the International Public Sector Accounting Standards (IPSAS) where transactions are recognized only when cash is received or paid out. Out of the total allocation of **Kshs. 29,800,000,000** in financial Year 2017/2018, **Kshs. 21,875,000,000** was received within the financial year as follows:

No.	Date	Amount Received
1	19 <sup>th</sup> January 2018	2,000,000,000
2	29 <sup>th</sup> January 2018	2,000,000,000
3	13 <sup>th</sup> February 2018	2,000,000,000
4	16 <sup>th</sup> February 2018	2,000,000,000
5	26 <sup>th</sup> February 2018	2,000,000,000
6	27 <sup>th</sup> March 2018	2,000,000,000
7	10 <sup>th</sup> April 2018	2,000,000,000
8	16 <sup>th</sup> April 2018	2,000,000,000
9	10 <sup>th</sup> May 2018	2,000,000,000
10	18 <sup>th</sup> May 2018	1,875,000,000
11	28 <sup>th</sup> May 2018	2,000,000,000
	<b>Total</b>	<b>21,875,000,000</b>

11. The balance of **Kshs.7,925,000,000** was received in Financial Year **2018/2019** and was therefore recognized as receipts in financial year **2018/2019** financial statements. The funds were received as follows

No.	Date	Amount received
1	3 <sup>rd</sup> July 2018	2,125,000,000
2	5 <sup>th</sup> July 2018	5,800,000,000
	<b>Total</b>	<b>7,925,000,000</b>

### **Committee Observations**

12. *The Committee made the following observations:*

- (i) *That according to the International Public Sector Accounting Standards (IPSAS), the Financial Statement for the Fund is prepared using the Cash Basis Accounting Method, which requires that transactions be recorded only when cash is received or disbursed.*
- (ii) *That the Board availed the IPSAS standard, extract of the report of the Auditor General on NGCDF-Central Bank Account for the year ended 30<sup>th</sup> June 2019 and copy of the Fund bank statements for audit review.*
- (iii) *The matter was adequately addressed and resolved.*

### **Committee Recommendations**

13. *The Committee recommends that the National Treasury should ensure timely and adequate disbursement of funds to the National Government Constituencies Development Fund Board to ensure all funds allocated to the Board in a particular financial year are disbursed within that financial year.*

### **3. INTERNAL CONTROL WEAKNESS**

14. The internal control system of the NG-CDF – Central bank account had the following weaknesses.

- i. There were no Board oversight committees such as audit committee to aid in the oversight management and prevent errors of misstatement.
- ii. The Board has NGCDF Management Information System, which was rolled out in 2010, however several departments are not utilizing the system as most operating systems were manual and susceptible to loss of data.
- iii. The financial management system and other internal controls is not automated and integrated with other functions of the Fund. This may lead to data integrity issues.
- iv. The organization does not have an offsite back up location. This may cause the organization not to recover from a disaster.

### **Management Response**

15. The Board Committees were not in place during the year under review. The organization Board was not fully constituted; therefore, it was not possible for the few members who were there to constitute subcommittee including Audit committee.

16. The audit matters were being handled and addressed by the existing Board members. Subsequently, the Board was fully constituted and Board committees including the audit committee is now in place.
17. The NG-CDF MIS was initiated in 2010 as an enterprise system and it was not until 2016 that it reached user utilization stage. The Departments that were targeted are Programmes, Finance and Registry. The programmes module was expected to automate the process of project submission, approval, implementation and reporting both at the secretariat and constituencies, the finance module was expected to automate financial processes at the secretariat while the registry module was supposed to digitize the existing records and share the same with authorized recipients.
18. The three modules of the system were implemented based on two approaches and technologies. The programmes module was customized from the scratch using open source technology while the Finance and Registry module was customized off the shelf and implemented using vendor specific technology namely Microsoft.
19. Due to issues arising from users' experience and the statutory requirement of reviewing the NG-CDF ACT from time to time the system had to undergo a number of changes, however the system is operational. In the financial year 2018/2019 the Board started using the system through a parallel run mechanism where both the manual and automated processes run concurrently in order to compare accuracy of results.
20. Currently, the NG-CDFMIS Projects Module is utilized in submission and processing of project proposals, generation of project code list and tracking implementation at PMC level. The MIS is also used to capture supplier information, invoices, voucher preparation and up to payment among other functionalities while the registry module captures, indexes, stores and or dispatches documents and mails received to the intended recipients. The system is further complemented by a Vote Book Management System (VBMS) deployed by the National Treasury and customized to NG-CDF operations to track financial management in the Fund at the constituency level and generation of financial reports.
21. Currently, the MIS system incorporates finance, projects and registry modules. The Finance Module is used to capture supplier information, invoices, voucher preparation and up to payment among other functionalities. In addition, disbursement of funds to the constituencies and the Board secretariat is processed through Integrated Financial Management System (IFMIS) and payment done through Internet banking (IB) platform provided by Central Bank of Kenya.

22. In the current financial year the Board has planned to implement an end to end enterprise resource solution. A business reengineering process is being undertaken to integrate all the functions of the Board into one ERP whose scope include an Online Integrated Enterprise Resource Planning Management, Monitoring and Evaluation System that will consolidate all key functions of all departments and the constituencies to ensure real time planning, approval and reporting to enhance efficiency and effectiveness in line with the presidential directive of paper organizations.
23. The Board has established a server room that hosts a number of critical services such as the email and active security appliances. In addition, the Board in Financial Year 2019/2020 implemented Cloud backup through Safaricom Cloud where there are two virtual servers on two different platforms i.e., Linux and Windows Server. This provides offsite back up for the Boards information and data.
24. In addition, the Board is currently migrating Email and Electronic Document Management (EDMs) to Microsoft 365 Cloud in this financial year. This will offload some onsite operations to the Cloud; where users whether in or out of the office can log in and connect to office anywhere. Microsoft 365 is completely cloud-based, meaning files, email and Office programmes can be accessed on mobile, laptop or desktop from anywhere anytime.

#### **Committee Observations**

25. *The Committee made the following observations:*

- (i) That the Board had not established audit committee that would assist in the oversight management and prevent errors of misstatement*
- (ii) That the CEO's circular to FAMs, printout from the finance system, Safaricom cloud contract and Office 365 implementation plan were availed for audit review.*
- (iii) It was noted that the MIS was introduced in the year 2010 but was utilized as from the year 2016.*
- (iv) The programmes, Finance and Registry were operationalized later.*
- (v) The matter was adequately addressed and resolved.*

#### **Committee Recommendation**

26. *The Committee recommends that the Accounting Officer should ensure there is digitization and automation of the Board's operations before the end of FY 2023/24, to promote accuracy of data and improvement of the organization's financial management through enhanced management of financial transaction. This is pursuant to section 68 (2) (b) and (c) of the PFM Act, 2012 which provides that – (2) In the performance of a function under*

subsection (1), an accounting officer shall—(b) ensure that the entity keeps financial and accounting records that comply with this Act;(c) ensure that all financial and accounting records the entity keeps in any form, including in electronic form are adequately protected and backed up;

27. The Committee recommends that the Accounting Officer should ensure the NGCDF Board has effective and efficient internal controls pursuant to Regulation 23 (1) (c) of the PFM (National Government) Regulations, 2015 that provides Accounting Officers shall, in accordance with Article 226(2) of the Constitution and section 68(1) of the Act, be accountable to the National Assembly— (c) for maintaining effective systems of internal control and the measures taken to ensure that they are effective;
28. The Committee recommends that the Accounting Officer should ensure the NGCDF Board has established sub-committees such as audit committee pursuant to section 73 (5) of the PFM Act, 2012 that states Every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations and Regulation 174 of the PFM (National Government) Regulations, 2015 on establishment of audit committees by national government entities.

#### **FINANCIAL YEAR 2018/2019, 2019/20, 2020/21 and 2021/22**

29. The Committee noted that in the Financial Years 2018/19, 2019/20, 2020/21 and 2021/22, the Fund received **Unqualified** audit opinion from the Auditor General as there were no material issues reported.
30. The Committee commended the Board for the good job.

**MIN.NO.NA/DAAOSC/DFAC/2023/050**

**ADJOURNMENT/DATE OF NEXT SITTING**

There being no other business, the meeting was adjourned at 12:20 pm. The next meeting will be held on notice

SIGNED.......... DATE 4/12/2023.....

**HON. GIDEON MUTEMI MULYUNGI, M.P.**  
**(CHAIRPERSON)**

**MINUTES OF THE 12<sup>TH</sup> SITTING OF THE DECENTRALIZED FUNDS ACCOUNTS COMMITTEE HELD ON TUESDAY, 14<sup>TH</sup> MARCH 2024, IN THE BOARDROOM ON 10<sup>TH</sup> FLOOR, HARAMBEE COOPERATIVE HOUSE**

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**PRESENT**

- |   |                    |
|---|--------------------|
| 1. <b>Hon. Gideon Mutemi Mulyungi, CBS, EBS, MP</b> | <b>Chairperson</b> |
| 2. Hon. Gertrude Mwanyanje Mbeyu, MP                | Vice-Chairperson   |
| 3. Hon. Jackson Lentoijoni, Lekumontare, MP         |                    |
| 4. Hon. Dorothy Muthoni, Ikiara, MP                 |                    |
| 5. Hon. Abdi Barre Hussein, MP                      |                    |
| 6. Hon. Joyce Osogo, Bensuda, Atieno, MP            |                    |
| 7. Hon. Innocent Momanyi Obiri, MP                  |                    |
| 8. Hon. Adhe Guyo Wario, MP                         |                    |
| 9. Hon. Joseph Kahangara Mburu, MP                  |                    |
| 10. Hon. David Mboni Mwalika, MP                    |                    |
| 11. Hon. Stephen Mogaka, MP                         |                    |
| 12. Hon. Caroline Jeptoo Ng'elechei, MP             |                    |

**APOLOGIES**

1. Hon. Martin Wanyonyi Pepela MP
2. Hon. Mejjadonk Benjamin Gathiru, MP
3. Hon. Reuben Kipngor, Kiborek, MP

**IN-ATTENDANCE**

**SECRETARIAT**

- |                         |   |                      |
|-------------------------|---|----------------------|
| 1. Ms. Ruth M. Gakuya   | - | Clerk Assistant I    |
| 2. Mr. John Mutinda     | - | Clerk Assistant III  |
| 3. Ms. Sharon Koskei    | - | Clerk Assistant III  |
| 4. Mr. Mabuti Mutua     | - | Legal Officer II     |
| 5. Ms. Elizabeth Kibati | - | Research Officer III |
| 6. Mr. Muchiri Mwangi   | - | Audio Officer III    |

**MIN.NO. NA/DAA&GPC/ DFAC/2024/034**

**PRELIMINARIES**

The Chairperson called the meeting to order at 11.30 am with a word of prayer and thereafter invited all present to introduce themselves. The agenda was unanimously confirmed as follows: -

**AGENDA**

1. Prayers
2. Preliminaries/Introduction
3. Adoption of the Agenda
4. Confirmation of minutes
5. **Consideration and adoption of the Committee report on its Examination of the reports of the Auditor's General Report for the NG-CDF Account for the financial year 2016/2017-2021/22**

6. Any Other Business
7. Adjournment

**MIN.NO.NA/DAA&GPC/DFAC/2024/035      ADOPTION OF AGENDA**

The agenda was adopted and proposed by Hon. Gertrude Mwanyanje Mbeyu, MP and seconded by Hon. Adhe Guyo Wario, MP respectively.

**MIN.NO.NA/DAA&GPC/DFAC/2024/036      CONSIDERATION AND ADOPTION OF  
THE COMMITTEE REPORT ON  
EXAMINATION OF REPORTS OF THE  
AUDITOR GENERAL FOR NG-CDF  
ACCOUNT FOR THE FINANCIAL  
YEARS 2016/17 TO 2021/22**

The Committee considered the fourth report on its Examination of the Reports of the Auditor General on the Financial Statements for the National Government Constituencies Development Fund (NG-CDF) Account for the Financial Years 2016/17, 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 .

The report was unanimously adopted having been proposed by Hon. Dorothy Muthoni, Ikiara, and MP and seconded by Hon. Joyce Osogo, Bensuda, Atieno, MP respectively.

**MIN.NO.NA/DAA&GPC/DFAC/2024/037      ADJOURNMENT/DATE OF NEXT SITTING**

There being no other business, the meeting was adjourned at 12.10pm. The next meeting will be held on Tuesday 19<sup>th</sup> March 2024.

SIGNED.......... DATE ..........

**HON. DR. GIDEON MUTEMI MULYUNGI, M.P. CBS  
(CHAIRPERSON)**