

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
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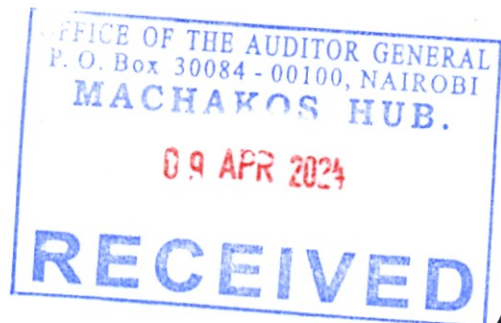
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ON

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

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



KATHIANI 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)

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

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1. Acronyms and Glossary of terms

NG-CDF-National Government Constituency Development Fund

FAM - Fund Account Manager

ARMC - Audit and Risk Management Committee

FY-Financial Year

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

2. 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;

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- 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 Kathiani 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)

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(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Aurelia M. Nyika
2.	Sub-County Accountant	Clement Kitua Muasa
3.	Chairperson NGCDFC	Agnes Muasya
4.	Member NGCDFC	Peter Mutua

(d) Fiduciary Oversight Arrangements

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

(e) Kathiani Constituency NGCDF Headquarters

P.O. Box 144-90105
DCC's Building, Kathiani Sub-County
Kathiani, KENYA

(f) Kathiani Constituency NGCDF Contacts

Telephone: (254)722628554
E-mail: ngcdfkathiani@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Kathiani Constituency NGCDF Bankers

Co operative Bank

Account Number 01141563295800

Athi River Branch

P.O Box 321

Athi River Branch

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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3. NG-CDFC Chairperson's Report



***Agnes Muasya -Chairperson
NGCDFC Kathiani***

Kathiani Constituency Profile

Kathiani Constituency is an electoral constituency in Kenya designated number 079. It is one of the constituencies that constitute Machakos County.

The constituency Member of Parliament and Deputy Minority leader is Hon. Robert Mbui.

Kathiani constituency consists of 4 wards namely: Mitaboni Ward, Kathiani Central Ward, Upper Kaewa/Iveti Ward and Lower Kaewa/Kaani Ward. It has a population of 104,219 people and approximately 207.0 square Kilometres in size.

The Kathiani NG-CDF office is located within the Sub-county headquarters.

Key achievements during the year 2022/2023

Kathiani NG-CDF was allocated **KSh.138,124,313** in the financial year 2022/2023.. A total of **Ksh.93,000,000** was received from the NG-CDF Board during the financial year 2022-2023. An amount of **Ksh.129,000** was also available from Appropriation-In-Aid. Thus, the total available funds during the year 2022/2023 being **Ksh.174,922,146**. Out of this, Kathiani NG-CDF expended a total of **Ksh.101,337,186**; the balance of **Ksh.73,804,681** will be utilized accordingly. Some of projects implemented during the year include the following,

1. Bursary Disbursement to needy students

The NG-CDF Kathiani Constituency was able to disburse funds to needy students in secondary and tertiary Institutions amounting to **Kshs 55,527,609**. The bursary funds enabled the needy students to return to school especially the ones who had been chased away due to school fees arrears.

2. Projects Implementation

Inspite of delayed disbursement of funds we were able to complete some of the projects of FY 22/23 and pending projects for FY 21/22. The projects were mainly renovation of classrooms, construction of new classrooms, Multipurpose Halls, Administration Blocks, Equipping School Lab, Staff Houses for Security Officers, Administration Offices and Purchase of a school bus.

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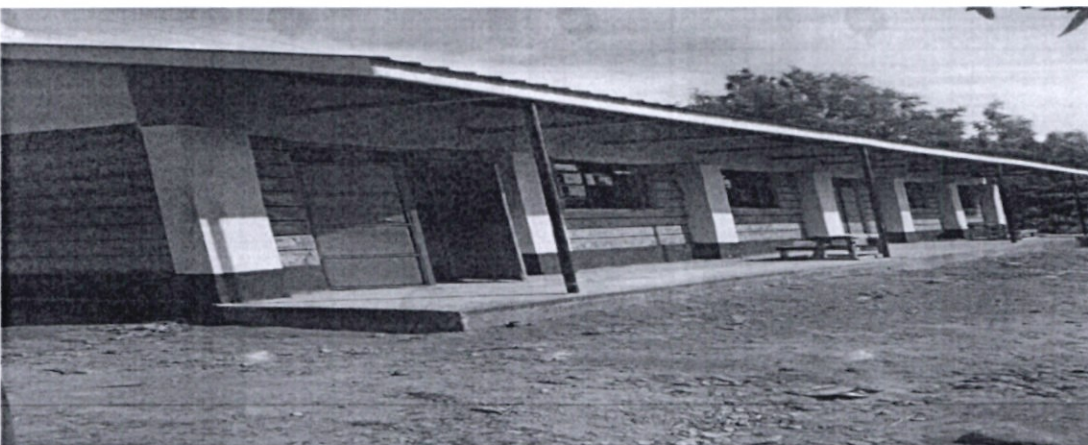
The Environment activity involved ground leveling in various primary schools utilizing funds from previous financial year.

Under Disaster management and Youth Empowerment votes, we were able to construct emergency toilets across the constituency due to the latrines sinking and high population of learners and their teachers. The Youth were supported with sports kits and balls for the constituency teams.

Photo gallery of projects in various wards.



The Administration block at Misuuni Primary School in Mitaboni ward was funded Kshs 2,200,000 in FY 2022/23. The administration block comprises of Head teacher's office, Deputy Head teacher's office, Staffroom, waiting bay and an entrance canopy. The project is complete and in use and has improved the infrastructure of the school and motivated the staff and pupils.



The Construction

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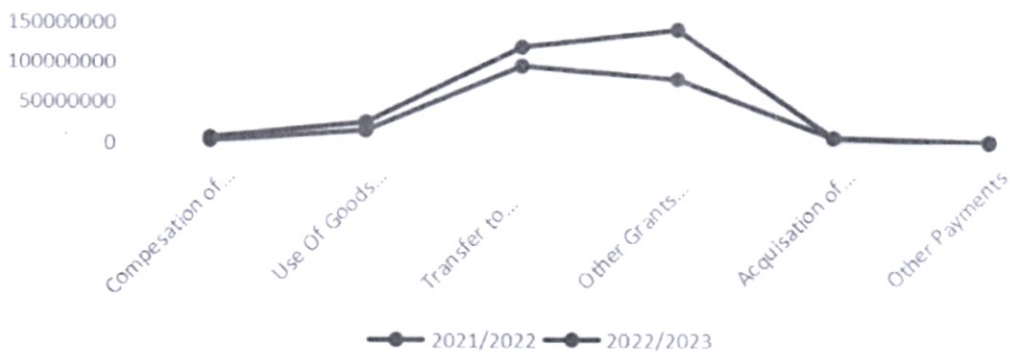
of 2 new classrooms at Katulya Primary School in Lower Kaewa ward classrooms to completion was funded Kshs 2,100,000 in F/Y 2021/22. The capacity is 45 pupils per classroom. The project is complete and in use and has improved the infrastructure of the school, made learning environment more conducive and motivated the staff and pupils.

Comparison of Total Budget, Adjusted Budget and Actual budget



The above grouped bar graph shows comparison of actual budget, adjusted budget and total budget. Acquisition of assets has the lowest values for original budget, adjusted budget and actual expenditure while transfers and other grants has the highest values. The adjusted budget is higher than original budget and actual expenditure all through.

comparative line chart for Actual Expendit 2021/2022 and 2022/2023



The line chart above shows comparison of actual expenditure in the two financial years, from the above it is observed that actual expenditure for the year 2022/2023 for most of the items is higher than the

financial year 2021/2022. Other grants has the highest values for both the financial years while compensation of employees and other payments are the lowest.

EMERGING CHALLENGES

Funds disbursement from the board is almost always untimely leading to delays in execution of budgets thus unnecessary adjustments which also delays implementation of projects, Kathiani NG-CDF Committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC's) as soon as it receives.

Overdependence of the fund by the public and national government functions on all development related issues.

WAY FORWARD

Major challenges faced by the fund include delay in disbursement of funds from the board and infrastructural demand is higher than the amount allocated, therefore the board needs to release funds in good time and lobby for increased funding to every constituency.



.....
Agnes Muasya
Chairperson NG-CDF Committee

4. 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 *Kathiani Constituency 2018-2022* plan are to:

- a) Primary School projects: construction, renovation of classrooms and office blocks
- b) Secondary school's infrastructure: construct and equip classrooms, dining halls, dormitories, administration blocks and libraries
- c) Sports activities for youth: levelling of playgrounds and purchase of equipment, balls, uniforms
- d) Planting tree seedlings of indigenous and fruit trees
- e) Payment of bursary to needy students in secondary and colleges/universities

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none">- Increased number of usable physical infrastructure build in primary, secondary, and tertiary institutions- Increased number of bursary beneficiaries at all levels	In FY 22 /23 we achieved the following: we renovated and constructed 17 classrooms in primary schools and 10 classrooms in secondary schools. This is a noted improvement compared F/Y 21/22 where we renovated 15 classrooms. The above has improved their learning infrastructure

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				including classrooms, dormitories and laboratories - Bursary beneficiaries in secondary schools were 5,977 while in tertiary institutions were 3,023
Security	To have security services at every ward	Increased access to security services at walking distance	- number of police posts build - Equipping of administration offices and staff houses.	FY 2021/22 We completed construction of 6 police posts and 2 staff houses. FY 2022/23 We have allocated funds to equip 9 Assistant Chiefs offices, to improve their infrastructure
Disaster Management	To be prepared for handling emergent events	Ability to handle unplanned events	- number of projects/ events handled	FY 2021/22 We constructed 11 emergency toilets in various primary schools and assistant chiefs offices. This FY 22/23 we are in the process of constructing 15 toilets and repairing a roof that was blown off in one of the primary schools.

5. Governance Statement

Appointment NG-CDFC Members

NG-CDFC members are appointed by a selection panel established under section 43 of the NG-CDF Act 2015.

The board shall upon:

- i. Commencement of a new parliamentary term
- ii. Resolution of a constituency committee
- iii. Removal of a member of the constituency committee
- iv. The occurrence of a vacancy in a constituency committee

Request the officer of the board seconded to the constituency committee to convene a meeting within 14 days thereof or within the time stipulated by the board.

Each constituency committee shall comprise of;

- i. The national government official responsible for coordination of national government functions
- ii. Two men each nominated in accordance with subsection 3, one whom shall be a youth at the date of appointment
- iii. Two women each nominated in accordance with subsection 3, one whom shall be a youth at the date of appointment
- iv. One person with disability nominated by a registered group representing PWDs in the constituency.
- v. Two persons nominated by the constituency office established under regulations made pursuant to the parliamentary service act.
- vi. The officer of the board seconded to the constituency committee by the board who shall be an ex-official member without a vote.
- vii. One member co-opted by the board in accordance with regulations made by the board.

The members of a constituency committee may remove a member in accordance with section 43 (13) and (14) of the Act upon receipt of a complaint against a member. A complaint against a member of a constituency committee shall be deposited with the officer of the board seconded to the constituency. The complaint referred to shall clearly set out the particulars of the issues complained of.

The secretary shall convene a special meeting to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. Members shall determine whether there is a sufficient ground existing requiring the accused person to respond. The accused person may call a witness or may respond in writing. The committee may summon the accused member to clarify any issue and shall issue its decision on the matter within 7 days after conclusion of the hearing. The committee shall communicate its

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decision to the board within 14 days. The board shall within 30 days after receipt of the complaint consider the matter and issue a final declaration which shall be binding on all parties.

Kathiani NG-CDFC members were appointed by a selection panel established under section 43 of the NG-CDF Act 2015 upon Commencement of a new parliamentary term.

Applications were invited through public notice boards from the Persons who qualify for appointment to the Constituency Committee in accordance with guidelines issued by the CDF Board. The Applications were made within 14 Working days ie from 4th October 2022 to 18th October 2022.

Members of the selection panel

The selection panel was constituted of the following members;

S.no	Name	Title/position in society	Membership category
1.	Maria N Agwata	ACC II Kathiani	Chairperson
2.	Aurelia Nyika	Fund Account Manager	Secretary
3.	Paul Nzyoka Muasa	Constituency Office Nominee	Member
4.	Juliana Nzilani Mutua	Constituency Office Nominee	Member

Pursuant to provisions of the NG-CDF Act 2015 the following posts were advertised vacant in an advert No: **NG-CDF/KATH/2022(01)**;

1. Men's Representative – 1 Position.
2. Women's Representative – 1 Position
3. Male Youth Representative (under 33years) – 1 Position
4. Female Youth Representative (under 33years) – 1 Position
5. Persons with Disability Representative – 1 Position

At the end of the stipulated application period, 23 applicants had submitted their applications

Shortlisting criteria

The Selection Panel then came up with a criteria to enable them to shortlist the applicants for appointment.

The Criteria was to check if the requirements stated in the advert were met or not.

- a) Regional balance – Where all the wards (Upper Kaewa/Iveti, Lower Kaewa/Kaani, Mitaboni and Kathiani) of the constituency should have a representative.

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- b) Gender representation
- c) Prior experience in CDF matters or issues relating with community development.
- d) Community Participation/Acceptance by the community – where individuals selected normally participate in issues of the community and whether the nominated members have public trust.
- e) Previous records of the individuals.
- f) Where the candidates meets the eligibility criteria in the advertisement
 - i. Voter of the Constituency
 - ii. Citizen of Kenya
 - iii. Able to read and write
 - iv. Meets the requirements of chapter six
 - v. Availability of the individual in CDF matters

The Following documents were to be presented in order to ascertain the eligibility criteria mentioned above:-

- i. A copy of the Voters Card to show that the applicant is a voter of Kathiani.
- ii. A Certified copy of identity card to show that the applicant is a Kenyan.
- iii. Copies of academic certificates and School documents to show applicants literacy.
- iv. Valid Certificate of good Conduct, EACC Clearance Form to ensure the applicants meets the requirements of chapter six of the Constitution.
- v. A letter from the area chief to confirm the applicant's locality.
- vi. The panel developed the checklist below;

The applicants were taken through an oral interview and the panel nominated them in terms of their performance.

No	Name	National id number	Mobile number	Score	Category	Ward
1.	Peter Munyenze Mutua	22233466	0720149720	87%	Male Adult Representative	Mitaboni
2.	Nicholus Mutisya Usang'a	35135077	0741371601	84%	Male Youth Representative	Upper Kaewa
3.	Agnes Nzisa Muasya	11646097	0729463881	88%	Women Adult Representative	Lower Kaewa
4.	Stellamaris Mutindi	33717335	0797352672	89%	Female Youth Representative	Kathiani
5.	Christine Syombua Peter	28044466	0717200895	82%	People with Disability Representative	Kathiani

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The above members were forwarded to the board on 5th October 2022 and were gazetted on 29th November 2022

The following are the members of CDFC Kathiani

S.No	Name	Position	Designation
1.	Agnes Muasya	Chairperson	Adult Female
2.	Peter Mutua	Secretary	Adult Male
3.	Paul Mulangi	Member	Constituency nominee
4.	John Muli	Member	Co-Opted member
5.	Stellamarris Mutindi	Member	Female Youth
6.	Christine Syombua	Member	PWD Representative
7.	Richard Mutua	Member	Constituency nominee
8.	Nicholus Mutisya	Member	Male Youth
9.	Aurelia M Nyika	Ex- official	Fund Account Manager
10.	Mary Kamau	National Govt Official	Deputy County Commissioner

a) Roles and Functions of the committee

The functions of a constituency committee shall be to;

- i. Build the capacity of PMCs and sensitize the community on the operations of the fund.
- ii. Consider all project proposals from all wards in the constituency and any other project they consider beneficial to the constituency.
- iii. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure that project proposals submitted to the board include detailed budget proposals, procurement plans and work plans.
- v. Ensure in approving projects and before submitting to the board for consideration, satisfy itself that the project falls within the functions of the national government under the constitution.
- vi. Consult with the relevant government departments to ensure that cost estimates for projects are realistic.

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- vii. Rank project proposals in order of priority while ensuring that on-going projects take precedence.
- viii. Ensure that all projects receive adequate funding and are completed within 3 years.
- ix. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the board.
- x. Perform any other function assigned to it by the board.

Kathiani NG-CDFC is guided by the NGCDF Act and regulations in performance of their roles above.

b) Induction

Induction of NG-CDFC is done upon the appointment of members. The NG-CDF Board shall convene induction forums before the committee commences its business. The committee shall be inducted on the NG-CDF Act and other related laws. They will also be inducted on their functions and mandate including all other related matters concerning the operations of the fund. The essence of the induction is to prepare the committee and equip them with the necessary knowledge and skills to undertake their new mandate. At the constituency level, the officer of the board upon inauguration of the committee, induct them to begin undertaking their mandate. Kathiani NGCDF members attended a training organised by NGCDF board in May 2023.

c) Training of Members

Training of the committee is a function of the board. The board organises trainings for the NG-CDFC members to capacity build and refresh them on all aspects pertaining the operations of the fund. The officer of the board at the constituency level in consultation with RC will also organise trainings of members at various levels. Kathiani NGCDF committee organised a training for PMC and Staff in June 2023

d) Number of meetings held

The first meeting was held on 19th December 2022. The committee shall hold not less than 12 meetings and not more than 24 including sub-committees. In Kathiani NGCDF we held 22 meetings as at end Of June 2023

e) Policy on conflict of interest

The NG-CDF Board shall issue circulars and guidelines on the policy on conflict of interest to the constituency committee in accordance with the constitution, NG-CDF Act 2015 and other related laws. The constituency committee is required to adopt the policy on conflict of interest as guided and apply to its day to day management of the fund. A member who has any interest in any contract or any other matter present at a

meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on any questions with respect to the contract or the matter or be counted on quorum of the meeting during consideration of the matter. Kathiani NGCDF was trained on chapter six of the constitution and so far no cases of conflict of interest

f) Members remuneration

NG-CDFC members are not legible for payment of salary but payment of sitting allowances during their meetings and payment of other allowances during their execution of other related activities. The sitting allowances are paid as stipulated in the Act and communicated in writing by the board. Kathiani NGCDFCs are paid their allowances as stipulated in the Act.

g) Ethics and Conduct

NG-CDFC members are required to conduct themselves following the code of conduct. During execution of their business, they are guided by the provisions of the NG-CDF Act and other related Acts. NG-CDFC members are required to uphold the core values of integrity and accountability, respect and people friendly, responsiveness, team spirit and partnerships, good governance and leadership, equity, quality & excellence.

h) Risk management

The NG-CDF board has prepared a policy on risk management which is cascaded down to the constituency committee. The NG-CDF committee is required to maintain a risk management register which covers all the activities of the committee as provided for in the performance contract. The register is updated on monthly basis and submitted electronically to the board by 10th of every subsequent month. This is a management and control tool to guide the committee in decision making. NGCDF Kathiani maintains an updated risk register.

6. Environmental and Sustainability Reporting

Kathiani 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.

Kathiani NG-CDFC provides allocates funds in Environmental matters.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kathiani 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 marginalized 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 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Kathiani NG-CDF has under the provision of environment been funding ground leveling in schools to enable pupils have playing fields soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

Kathiani NGCDF Constituency is committed to fair and ethical market practices.

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 practices 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 honoring 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 honoring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

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

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

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

Public Awareness

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

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

.....*Aurelia M. Nyika*.....

Aurelia M. Nyika
Fund Account Manager

7. 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-Kathiani 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, 2022. 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-Kathiani 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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kathiani Constituency further confirms

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

Approval of the financial statements

The NGCDF- Kathiani Constituency financial statements were approved and signed by the Accounting Officer on 05/04/ 2024.


.....

Name: Agnes Muasya

Chairperson – NGCDF Committee


.....

Name: Aurelia M. Nyika

Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KATHIANI 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kathiani Constituency set out on pages 1 to 53,

which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the Provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kathiani Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Inaccuracies in the Fixed Assets

Annex 4 to financial statements reflects summary of fixed assets register balance of Kshs.19,779,073. The balance includes buildings and structures valued at Kshs.12,921,669 which were constructed on land of unknown value. Further, ownership documents for the land was not provided for audit.

In the circumstances, the accuracy, completeness and ownership of fixed assets register balance of Kshs.19,779,073 could not be confirmed.

2. Inaccuracies in the Cash and Cash Equivalentents

The statement of assets and liabilities and as disclosed in Note 12A to the financial statements reflects bank balance of Kshs.28,589,648. Review of the June, 2023 bank reconciliation statement reflects unrepresented cheques amounting to Kshs.18,886,179 which includes seventy (70) stale cheques amounting to Kshs.497,130 which had not been presented for payment since 2013/2014. The stale cheques have not been reversed back in the cashbook. Further, receipts in bank statements not in cash book totalling Kshs.12,500 have been outstanding since 2018/2019. In addition, payments in bank statements not yet recorded in the cash book amounting to Kshs.7,155 had not been cleared. Similarly, the approval for opening of the bank account and current signatories were not provided for audit.

In the circumstances, the accuracy, existence and completeness of cash and cash equivalentents balance of Kshs.28,589,648 could not be confirmed.

3. Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and transfers amount of Kshs.60,209,209 as disclosed in Note 8 to the financial statements. The amount includes bursary to Secondary Schools and Tertiary Institutions amounting to Kshs.29,932,809

and Kshs.25,594,800, respectively. However, Management did not provide acknowledgement receipts from the learning Institutions amounting to Kshs.35,389,799 to confirm that the funds was received in the respective accounts.

In the circumstances, the accuracy and completeness of bursaries amounting to Kshs.35,389,799 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 - Kathiani Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.175,141,868 and Kshs.129,926,834 respectively, resulting into an under-funding of Kshs.45,215,034 or 26% of the budget. Similarly, the Fund spent Kshs.101,337,237 against actual receipts of Kshs.129,926,834 resulting to an under-utilization of Kshs.28,589,597 or 22% of the actual receipts.

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

My opinion is not modified in respect of this matter.

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

Prior Year Matters

In the report for 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. However, Management had not resolved the issues or given any explanation for failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Un-surrendered Project Management Committee Accounts Balance

Note 19.4 to the financial statements reflects Project Management Committee (PMC) accounts balance of Kshs.7,146,170 and as disclosed in Annex 5. Included in this balance is Lumbwa Primary School, Kaviani Primary School, Mbee High School with balances of Kshs.1,001,843, Kshs.2,402,429 and Kshs.1,198,493, respectively disclosed as complete in the project implementation status report. However, the funds had not been surrendered back to the Constituency main bank account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015, (Amended 2022) which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency Fund main bank Account.

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

2. Failure to Submit Bank Reconciliation Statements

Review of the bank reconciliation statements for the financial year under review revealed that there was no evidence to confirm that bank reconciliations are submitted to The National Treasury and a copy to the Auditor-General as required under Regulation 90(1) of Public Finance Management (National Government) Regulations 2015.

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

3. Non-Compliance with Law on Ethnic Composition

During the year under review, the Fund Management recruited seven(7) officers who were members of the dominant ethnic community in the Constituency. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community".

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

The audit was conducted in accordance with ISSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to 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 controls 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 May, 2024


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


9. 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	93,000,000	211,777,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	129,000	84,000
TOTAL RECEIPTS		93,129,000	211,861,758
PAYMENTS			
Compensation of employees	4	4,346,340	2,243,160
Committee Expenses	5	5,016,173	9,962,661
Use of goods and services	6	4,636,879	4,865,836
Transfers to Other Government Units	7	24,850,179	95,159,118
Other grants and transfers	8	60,209,209	78,694,502
Acquisition of Assets	9	481,207	5,893,388
Oversight Committee Allowances	10	600,000	
Other Payments	11	1,197,200	-
TOTAL PAYMENTS		101,337,186	196,818,665
SURPLUS/DEFICIT		(8,208,186)	15,043,093

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

The Constituency financial statements were approved on 05/04/2024 and signed by:


 Fund Account Manager


 National Sub-County Accountant


 Chairman NG-CDF Committee

Name: Aurelia Nyika

Name: Clement K Muasa

Name: Agnes Muasya

ICPAK M/No:6987

Kathiani Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

10. 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	28,589,648	36,797,834
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		28,589,648	36,797,834
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		28,589,648	36,797,834
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL ASSETS		28,589,648	36,797,834
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	36,797,834	21,754,741
Prior year adjustments	16		-
Surplus/Defict for the year		(8,208,185)	15,043,093
NET FINANCIAL POSITION		28,589,648	36,797,834

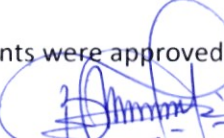
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 05/04/2024 and signed by:



Fund Account Manager

Name: Aurelia Nyika



National Sub-County Accountant

Name: Clement K Muasa

ICPAK M/No:6987



Chairperson NG-CDF Committee

Name: Agnes N Muasya

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

11. 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	93,000,000	211,777,758
Other Receipts	3	129,000	84,000
Total Receipts		93,129,000	211,861,758
Payments			
Compensation Of Employees	4	4,346,340	2,243,160
Committee Expenses	5	5,016,173	9,962,661
Use Of Goods and Services	6	4,636,879	4,865,836
Transfers To Other Government Units	7	24,850,179	95,159,118
Other Grants and Transfers	8	60,209,209	78,694,502
Oversight Committee Expenses	10	600,000	-
Other Payments	11	1,197,200	-
Total Payments		100,855,980	190,925,277
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		(7,726,980)	20,936,481
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(481,207)	(5,893,388)
Net Cash Flows from Investing Activities		(481,207)	(5,893,388)
Net Increase In Cash And Cash Equivalent		(8,208,187)	15,043,093
Cash & Cash Equivalent At Start Of The Year	12	36,797,834	21,754,741
Cash & Cash Equivalent At End Of The Year	12	28,589,647	36,797,834

Kathiani Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

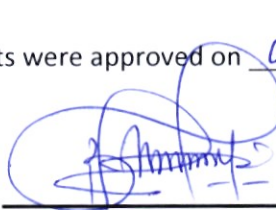
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 05/04/ 2024 and signed by:



Fund Account Manager

Name: Aurelia Nyika



National Sub-County Accountant

Name: Clement K. Muasa

ICPAK M/No: 6987



Chairperson NG-CDF Committee

Name: Agnes Muasya

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

12. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	138,214,313	36,797,835	-	175,012,868	129,797,834	45,215,034	67%
Proceeds from Sale of Assets				-	-	-	0%
Other Receipts				129,000	129,000	-	100%
TOTAL RECEIPTS	138,214,313	36,797,835		175,141,868	129,926,834	45,215,034	74%
PAYMENTS							
Compensation of Employees	3,916,280	4,121,238	-	8,037,518	4,346,390	3,691,128	54%
Committee expenses	3,306,000	1,784,137	-	5,090,137	5,016,173	73,964	78%
Use of goods and services	5,217,073	1,812,917		7,029,990	4,636,879	2,393,111	66%
Transfers to Other Government Units	62,460,074	4,989,081		67,449,155	24,850,179	42,598,976	37%
Other grants and transfers	58,329,302	23,609,266		81,938,568	60,209,209	21,729,359	73%
Acquisition of Assets	604,154	481,196	-	1,085,350	481,207	604,143	44%
Oversight Committee Expenses	1,382,150			1,382,150	600,000	782,150	
Other Payments	3,000,000			3,000,000	1,197,200	1,802,800	41%
Funds Pending Approval				129,000		129,000	0%
TOTAL	138,214,313	36,797,835	-	175,141,868	101,337,237	73,804,631	58%

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
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- i. Receipts presented 74% since not all allocated funds had been received from NG-CDF Board*
- ii. Compensation of employees had a 56% utilization because of gratuity to staff that has not been paid out as it's paid at the end of the contract period.*
- iii. Use of goods had a 78% utilization since most of the activities had been undertaken*
- iv. Transfers to other government entities had a utilization difference of 37%. Most of transfers to PMC accounts had been completed*
- v. Other grants and transfers had a utilization difference of 73% and remaining transfers will be done accordingly.*
- vi. Acquisition of assets had a utilization difference of %. Balances will be utilized as planned.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	73,804,683
Less undisbursed funds receivable from the Board as at 30th June 2023	45,215,033
	28,589,648
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 202223	28,589,648

The Constituency financial statements were approved on 05/04/2024 and signed by:





Fund Account Manager

National Sub-County Accountant

Chairperson NG-CDF Committee

Name: Aurelia Nyika

Name: Clement K. Muasa

Name: Agnes Muasya

ICPAK M/No: 6987

13. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
	2022/ 2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/ 2023				
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent								
1.1 Compensation of employees	3,916,280	4,121,238	-	8,037,518	4,346,390	3,691,128	54%	
1.2 Committee allowances	1,306,000	340,772	-	1,646,772	1,619,679	27,093	98%	
1.3 Use of goods and services	3,070,622	625,605	-	3,696,227	3,021,086	675,141	82%	
Total	8,202,182	5,087,615	-	13,289,797	8,987,155	4,393,362	67%	
2.0 Monitoring and evaluation						-		
2.1 Capacity building	1,500,000	1,097,011	-	2,597,011	1,851,700	745,311	71%	
2.2 Committee allowances	2,000,000	943,365	-	2,943,365	2,178,000	765,365	74%	

Kathiani Constituency
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2.3 Use of goods and services	646,451	590,301	-	1,236,752	1,150,000	86,752	93%
Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
	2022/ 2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/ 2023			
	Kshs		Kshs	Kshs	Kshs	Kshs	
Total	4,146,451	2,630,677	-	6,777,128	5,179,700	1,597,428	76%
3.0 Emergency							
3.1 Primary Schools				-		-	
Kasioni Primary School	160,000			160,000	160,000	-	100%
3.4 Security projects	-		-	-	-	-	0%
Kathia Asst Chief Office	400,000			400,000	400,000	-	100%
Kauti ASst Chief Office	221,600			221,600	221,600	-	100%
Kaiani Asst Chief Office	400,000			400,000	400,000	-	100%
Kathalani Police Post	500,000			500,000	500,000	-	100%
3.5 Unutilised	5,954,590	812,207		6,766,797	-	6,766,797	20%
Total	7,636,190	812,207	-	8,448,397	1,681,600	6,766,797	20%

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4.0 Bursary and Social Security							
Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
	2022/ 2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/ 2023			
	Kshs		Kshs	Kshs	Kshs	Kshs	
4.1 Secondary Schools	24,000,000	6,926,514		30,926,514	29,898,995	1,027,519	97%
4.2 Tertiary Institutions	17,464,510	10,370,545		27,835,055	26,324,520	1,510,535	95%
4.3 Social Security	-	-	-	-	-	-	0%
Total	41,464,510	17,297,059	-	58,761,569	56,223,515	2,538,054	96%
5.0 Sports							
5.1	2,764,301	-	-	2,764,301	-	2,764,301	0%
Total	2,764,301	-	-	2,764,301	-	2,764,301	0%
6.0 Environment							
NG CDF Office	2,800,000			2,800,000		2,800,000	0%
Isyukoni Primary	1,000,000			1,000,000		1,000,000	0%
Kwanzimbi Primary	1,764,301			1,764,301		1,764,301	0%

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Total	5,564,301	-	-	5,564,301		5,564,301	0%
Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
	2022/ 2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/ 2023			
	Kshs		Kshs	Kshs	Kshs	Kshs	
7.0 Primary Schools Projects							
Ikoleni Primary School	1,000,000		-	1,000,000		1,000,000	0%
Revision Books		765		765		765	0%
Kitamulu Primary School		1,200,000		1,200,000		1,200,000	0%
Mwanga Primary School	194,814	155,186		350,000	350,000	-	100%
Isooni Primary School	2,500,000		-	2,500,000	2,500,000	-	100%
Isyukoni Primary School	2,200,000			2,200,000	2,200,000	-	100%
Kaliluni Primary School	1,000,000		-	1,000,000	1,000,000	-	100%
Kalunga Primary School	1,064,228			1,064,228		1,064,228	0%
Kasioni Primary School	1,200,000			1,200,000	1,200,000	-	100%
Kathalani Primary School	4,000,000			4,000,000		4,000,000	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
	2022/ 2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/ 2023			
	Kshs		Kshs	Kshs	Kshs	Kshs	
Katulya Primary School	1,100,000			1,100,000		1,100,000	0%
Kauti Primary School	3,500,000			3,500,000		3,500,000	0%
Kaviani Primary School	2,400,000			2,400,000	2,400,000	-	100%
Kikata Primary School	1,400,000			1,400,000	1,400,000	-	100%
Kyuluni Primary School	1,200,000			1,200,000		1,200,000	0%
Lumbwa Primary School	1,000,000			1,000,000	1,000,000	-	100%
Maanzoni Primary School	1,700,000			1,700,000	1,700,000	-	100%
Mathunya Primary School	1,000,000			1,000,000		1,000,000	0%
Mukanyi Primary School	3,500,000	-	-	3,500,000	3,500,000	-	100%
Wandathe Primary School	2,500,000	1,100,000	-	3,600,000	2,500,000	1,100,000	69%
Total	32,264,228	2,489,081	-	34,753,309	19,750,000	15,003,309	57%

8.0 Secondary Schools Projects							
Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
		2022/ 2023	Opening Balance (C/Bk) and AIA				
	Kshs		Kshs	Kshs	Kshs	Kshs	
General Mulinge secondary school	1,250,000		-	1,250,000	1,250,000	-	100%
Mbee Secondary School		1,000,000					
Mitaboni secondary school	950,179	1,000,000		1,950,179	950,179	1,000,000	49%
Kaiani secondary school	1,935,983	1,500,000		3,435,983		3,435,983	0%
Kikombi secondary school	1,100,000	-		1,100,000	1,100,000	-	100%
Kikombi Secondary School	8,000,000			8,000,000		8,000,000	0%
Kitie Secondary School	8,000,000	-		8,000,000	-	8,000,000	0%
Kituvu Secondary School	800,000	-	-	800,000	800,000	-	100%
Lumbwa Secondary School	4,700,000	-	-	4,700,000	-	4,700,000	0%
Kithunguini Secondary Sch	3,300,000	-	-	3,300,000	-	3,300,000	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	Budget utilization difference percentages
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022/ 2023		2022/ 2023				
	Kshs		Kshs	Kshs	Kshs	Kshs	
Total	30,195,846	3,500,000	-	32,695,846	4,100,179	28,595,667	13%
9.0 Tertiary institutions Projects							
		-	-	-	-	-	
Total	-	-	-	-	-	-	
10.0 Security Projects							
Thinu security Post		1,000,000		1,000,000		1,000,000	0%
Mutitu security post		1,000,000		1,000,000	1,000,000	-	100%
Kathiani police		2,000,000		2,000,000	2,000,000	-	100%
Assistant Chief's office-Ngiini		500,000		500,000		500,000	0%
Assistant Chief's	100,000	-		100,000		100,000	0%



office-Mitaboni							
Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
		2022/ 2023	Opening Balance (C/Bk) and AIA				
	Kshs		Kshs	Kshs	Kshs	Kshs	
Assistant Chief's office-Kithia	100,000			100,000		100,000	0%
Assistant Chief's office-iveti	100,000			100,000		100,000	0%
Assistant Chief's office-kaani	100,000			100,000		100,000	0%
Assistant Chief's office-kalunga	100,000			100,000		100,000	0%
Assistant Chief's office- Lita	100,000			100,000		100,000	0%
Assistant Chief's office-kaewa	100,000			100,000		100,000	0%
Assistant Chief's office-Kauti	100,000			100,000		100,000	0%
Assistant Chiefs office-Mathunya	100,000		-	100,000		100,000	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
	2022/ 2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/ 2023			
	Kshs		Kshs	Kshs	Kshs	Kshs	
Total	900,000	4,500,000	-	5,400,000	3,000,000	2,400,000	56%
11.0 Acquisition of assets							
11.1 Motor Vehicles	604,154		-	604,154	-	604,154	0%
11.2 Construction of CDF office	-	481,196	-	481,196	481,196	-	100%
Total	604,154	481,196	-	1,085,350	481,196	604,154	44%
12.0 Other payments							
strategic Plan	3,000,000			3,000,000	1,197,200	1,802,800	40%
Constituency Oversight Committee – Kathiani	1,382,150			1,382,150	600,000	782,150	43%
				-	-	-	-
Total	4,382,150	-	-	4,382,150	1,747,200	2,584,950	40%

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	Budget utilization difference percentages
		2022/ 2023	Opening Balance (C/Bk) and AIA				
	Kshs		Kshs	Kshs	Kshs	Kshs	
13.0 unallocated fund		129,000		-	-	129,000	0%
Unapproved projects	-	-	-	-	-	-	0%
AIA	-	-		-	-	-	0%
PMC savings	-			-	-		
Total	-	-	-	-	-	-	
	138,215,033	36,926,835	-	175,051,148	101,337,185	73,804,683	58%

(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

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2023 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.

Kathiani Constituency

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15. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021 - 2022
	Kshs	Kshs
AIE NO. B126138		7,000,000
AIE NO. B126430		10,600,000
AIE NO. B140574		12,000,000
AIE NO. B105334		33,000,000
AIE NO. B105627		34,000,000
AIE NO. B105711		16,000,000
AIE NO. B128535		17,000,000
AIE NO. B128846		14,000,000
AIE NO. B154044		15,000,000
AIE NO. B164486		18,000,000
AIE NO. B155842		23,088,879
AIE NO. B155958		12,088,879
AIE NO. B185093	7,000,000	
AIE NO. B185510	6,000,000	
AIE NO. B185627	15,000,000	
AIE NO. B206127	5,000,000	
AIE NO. B206381	12,000,000	
AIE NO. B205765	12,000,000	
AIE NO. B207527	20,000,000	
AIE NO. B207889	16,000,000	
Total	93,000,000	211,777,758

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Notes to the Financial Statements

2. Proceeds From Sale of Assets

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

3. Other Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents		
Receipts from Sale of Tender Documents	129,000	84,000
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere (specify)		
Total	129,000	84,000

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Notes to the Financial Statements

4. Compensation of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,325,000	2,187,000
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance	24,000	
Gratuity-contractual employees	1,932,540	
Employer Contributions Compulsory national social security schemes	64,800	56,160
Total	4,346,390	2,243,160

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,068,000	5,716,700
Other committee expenses	3,948,173	4,245,961
Total	5,016,173	9,962,661

Notes to the Financial Statements

6. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	393,795	48,689
Communication, supplies and services	199,000	9,450
Domestic travel and subsistence	249,800	100,000
Printing, advertising and information supplies and services	470,800	89,842
Rentals of produced assets		
Training expenses	1,851,700	1,503,895
Hospitality supplies and services	510,950	2,039,722
Insurance costs		
Specialized materials and services		
Office and general supplies and services	358,404	276,280
Fuel , oil & lubricants	287,550	
Bank service commission and charges		114,460
Other Operating Expenses	60,000	300,000
Security operations		
Routine maintenance - vehicles and other transport equipment	254,880	383,498
Routine maintenance- other assets		
Total	4,636,879	4,865,836

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Notes to the Financial Statements

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	19,750,000	33,819,118
Transfers to Secondary Schools	5,100,179	61,340,000
Transfers to Tertiary Institutions		
Total	24,850,179	95,159,118

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	29,932,809	33,110,600
Bursary -Tertiary (see attached list)	25,594,800	19,076,500
Bursary- Special Schools		
Mocks & CAT (see attached list)		
Social Security programmes (NHIF)		
Security Projects (see attached list)	3,000,000	8,539,373
Sports Projects (see attached list)		5,485,778
Environment Projects (see attached list)		640,045
Emergency Projects (see attached list)	1,681,600	11,842,207
Total	60,209,209	78,694,502

Notes to the Financial Statements

9. Acquisition Of Assets

Non-Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	481,207	5,893,388
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
Total	481,207	5,893,388

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	600,000	-
Other COC expenses	-	-
Total	600,000	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	1,197,200	-
ICT Hub	-	-
Total	1,197,200	-

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Notes to the Financial Statements

12. Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2022-2023	2021 - 2022
		Kshs (30/6/2023)	Kshs (30/6/2022)
Cooperative Bank, Athiriver Branch	A/C no. <u>01141563295800</u>	28,589,648	36,797,834
Total		28,589,648	36,797,834
10B: CASH IN HAND)			
		2022-2023	2021 - 2022
		Kshs (30/6/2023)	Kshs (30/6/2022)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
Total		-	-

13. Outstanding Imprests

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

Notes to the Financial Statements

14A. 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	-	-

14B. Gratuity

	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	1,596,500	1,032,920
Adjustment	336,040	-
Gratuity held during the year (B)	501,890	563,580
Gratuity paid during the Year (C)	1,932,540	-
Closing Gratuity as at 30 th June D= A+B-C	501,890	1,596,500

15. Balances Brought Forward

	2022-2023	2021-2022
	Kshs (1/7/2022)	Kshs (1/7/2021)
Bank accounts	36,797,834	21,754,741
Cash in hand	-	-
Imprest	-	-
Total	36,797,834	21,754,741

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Notes to the Financial Statements

16. Prior Year Adjustments

	Balance b/f FY 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2022/2023
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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	-	-
Changes in Account Receivables E= D-A	-	-

Notes to the Financial Statements

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	-	-
Changes in Accounts Payable E= D-E	-	-

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	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
Gratuity	501,890	1,943,390
	501,890	1,943,390

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19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021- 2022
	Kshs	Kshs
Compensation of employees	3,691,178	4,121,238
Committee Expenses	73,964	
Use of goods and services	2,393,111	3,597,054
Amounts due to other Government entities (see attached list)	42,598,976	4,989,081
Amounts due to other grants and other transfers (see attached list)	21,729,359	23,609,266
Acquisition of assets	604,143	481,196
Oversight Committee Expenses	782,150	
Others (<i>specify</i>)	1,802,800	-
Funds pending approval	129,000	-
Total	73,804,681	36,797,834

19.4: PMC account balances (See Annex 5)

	2022-2023	2021- 2022
	Kshs	Kshs
PMC account balances (see attached list)	7,146,170	49,524,397
Total	7,146,170	49,524,397

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16. Annexes

Annex 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.					
Sub-Total					
Construction of civil works					
3.					
4.					
Sub-Total					
Supply of goods					
5.					
6.					
Sub-Total					
Supply of services					
7.					
Sub-Total					
Grand Total					

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance	Comments
			30th June 2023	
Derrick Kyalo	Clerk of Works	November	86,800	
Hilton Mutuku	Records Officer	November	81,840	
Annah Nzioka	Receptionist	November	69,440	
Zipporah Mwende	Office Assistant	November	44,640	
Virginia Kanini	Assistant Accountant	November	81,840	
Shadrack Nzuki	Driver	November	57,040	
Sebastian Mutiso	Field Officer	November	69,440	
Esther Kalia			10,850	
	Sub-Total		501,890	
	Grand Total		501,890	

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	Being payment of employees' salaries and gratuity	3,691,178	4,121,238	Amount not utilised for gratuity because gratuity is paid at the end of the contract period – unpaid salary
Use of goods & services	Committee allowances, committee utilities, motor vehicle maintenance	2,467,075	3,597,054	Delayed disbursement of funds
Amounts due to other Government entities				
Ikoleni Primary	Renovation of classrooms-Tiling	1,000,000		Delayed disbursement of funds
Kalunga primary	Renovation of classrooms-Tiling	1,064,228		Delayed funding
Kathalani primary	Construction of admin block at 3,000,000 and renovation of classrooms at	4,000,000		Delayed Funding

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	1,000,000			
Katulya Primary	Renovation of classrooms	1,100,000		Delayed Funding
Kauti primary	Construction of a new admin block and fencing	3,500,000		Delayed Funding
Kyuluni primary	Renovation of classrooms and tiling	1,200,000		Delayed Funding
Mathunya primary	Renovation of classrooms -tiling	1,000,000		Delayed payment
Wandathe primary	Land purchase	2,500,000	1,100,000	Valuation report registered a lower value thus resulting the seller to revoke the sale agreement funds reallocated to construction of classroom
Kaiani Secondary	Completion of a storey administration block	2,095,667	1,500,000	Delayed funding
Kitie Secondary	Purchase of School bus	8,000,000		Delayed funding

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Mitaboni Boys	Reroofing of classes	950,179	1,000,000	Delayed Funding
Kaiani Assistant Chief's office	Completion of office	188,902		Delayed Funding
Mbee Secondary	Construction and equipping of kitchen		1,000,000	Delayed Funding
Kikombi secondary	Purchase of School bus	8,000,000		Delayed funding
Lumbwa Secondary	Construction of a multipurpose hall	4,700,000		Delayed disbursement
Kithunguini secondary	Completion of a storey block of staff houses	3,300,000		Delayed disbursement
Sub-Total		42,598,976	5,989,080	
Amounts due to other grants and other transfers				
Security				
Thinu security Post	Land purchase	1,000,000	1,000,000	Funds reallocated
Kathiani Police Post	Renovation of office		2,000,000	Delayed Disbursement
Mutitu Police Post	Construction of office		1,000,000	Delayed Disbursement
Assistant chief office Ngiini	Land purchase	500,000	500,000	Delayed valuation report from

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
				government valuer
Assistant chief office mitaboni	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office kithia	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office Iveti	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office kaani	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office Kalunga	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office Lita	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office Kaewa	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office Kauti	Purchase of office furniture	100,000		Delayed disbursement
Assistant chief office Mathunya	Purchase of office furniture	1,100,000	1,000,000	Delayed disbursement
		3,400,000	5,500,000	

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Environment				
NGCDF office	Office landscaping, fencing, parking and gate	2,800,000		Delayed disbursement
Isyukoni Primary	Ground Levelling	1,000,000		Delayed disbursement
Kwanzimbi Primary School	Ground levelling	1,764,301		Delayed disbursement
		5,564,301		
Sports				
Sports	Sports	2,764,301		Delayed disbursement
Emergency				
Emergency	Emergency	6,766,797	812,207	Delayed disbursement
Bursary				
Bursary Secondary Schools	Bursary Secondary Schools	993,705	3,926,514	Delayed disbursement
Bursary Tertiary Institutions	Bursary Tertiary Institutions	2,240,255	13,370,545	Delayed disbursement
Sub-Total		3,233,960		
Acquisition of assets	Acquisition of assets	604,143	481,196	Delayed disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Oversight Committee Expenses (itemize)	Oversight Committee Expenses	782,150		Delayed disbursement
Others (specify)				
Strategic Plan	Strategic Plan	1,802,800		Delayed disbursement
Sub-Total				
Funds pending approval		129,000		
Grand Total		73,804,683	36,797,834	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f	Adjustment	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)				(Kshs)
	2021/22				2022/23
Land			-	-	
Buildings and structures	6,735,352	5,705,110	481,207		12,921,669
Transport equipment	4,951,733	(951,733)			4,000,000
Office equipment, furniture and fittings	587,924				587,924
ICT Equipment, Software and Other ICT Assets	2,269,480				2,269,480
Other Machinery and Equipment					
Heritage and cultural assets					-
Intangible assets	-		-	-	-
Total	14,544,489		481,207	-	19,779,073

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

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
ABC KWANGENGI SECONDARY SCHOOL	Co-operative Bank	01139276273600	1,000	
EMERGENCY PROJECTS COMMITTEE	Co-operative Bank	01141748294600	362	
GENERAL MULINGE HIGH SCHOOL	Co-operative Bank	01139748197000	67,378	
IKOLENI SECONDARY SCHOOL	Co-operative Bank	01139276456900	2,700	2,700
IMILINI PRIMARY SCHOOL	Co-operative Bank	01141655791600	75,413	1,000,000
IMILINI SECONDARY SCHOOL	Co-operative Bank	01141655749800	4,915	1,032,995
ISOONI PRIMARY SCHOOL	Co-operative Bank	01139550368800	5,472	5,472
ISYUKONI PRIMARY SCHOOL	Co-operative Bank	01139071228401	1,000	1,000
ITHAENI PRIMARY SCHOOL	Co-operative Bank	01139550367900	1,587	102
IVETI CHIEF'S OFFICE	Co-operative Bank	01141655795100	215	250,025
IVETI PRIMARY SCHOOL	Co-operative Bank	01139549576000	127,523	425,724
KAANI LIONS GIRLS SECONDARY	Co-operative Bank	01139549533700	76,545	1,913,154
KAANI POLICE POST	Co-operative Bank	01141655791200	1,395	1,300,000
KAWEA ASSISTANT CHIEF OFFICE	Co-operative Bank	01141655676300	27,990	
KAWEA SECONDARY SCHOOL	Co-operative Bank	01139550983800	1,181	2,003,236

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
KAIANI ASSISTANT CHIEFS OFFICE	Co-operative Bank	01141655767700	2,024	188,974
KAIANI SECONDARY SCHOOL	Co-operative Bank	01141655759400	1,325	64,485
KALIKYA PRIMARY SCHOOL	Co-operative Bank	01139549569200	4,398	7,099
KALILUNI GIRLS SECONDARY SCHOOL	Co-operative Bank	01139749383400	0	1,002,407
KALILUNI PRIMARY SCHOOL	Co-operative Bank	01139549556800	1,102	
KALUNGA ASSISTANT CHIEF'S OFFICE	Co-operative Bank	01141655762400	0	58,260
KALUNGA PRIMARY SCHOOL	Co-operative Bank	01139549582500	0	55,670
KASIONI 2 PRIMARY SCHOOL	Co-operative Bank	01139550109100	25,335	
KATHALANI POLICE POST	Co-operative Bank	01141550154100	4,475	-
KATHIANI ASSISTANT CHIEFS OFFICE	Co-operative Bank	01141655674900	11,765	25,685
KATHIANI GIRLS SECONDARY SCHOOL	Co-operative Bank	01141854557300	56,681	3,972,615
KATHIANI CONSTITUENCY SPORTS	Co-operative Bank	01141563852300	34,719	
KATHIANI POLICE POST	Co-operative Bank	01141550154800	5,148	
KATHIANI PRIMARY SCHOOL	Co-operative Bank	01139550120100		1,002,770
KATHUNI PRIMARY SCHOOL	Co-operative Bank	01139072596701	1,098	1,098
KATHUNI SECONDARY SCHOOL	Co-operative Bank	01139549133900	10,028	21,276
KATULYA PRIMARY SCHOOL	Co-operative Bank	01139549598200	1484	1,465,534

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
KAUTI CHIEF'S CAMP	Co-operative Bank	01141550369800	2,236.45	
KAUTI PRIMARY SCHOOL	Co-operative Bank	01141655760100	1,669	69,819
KAUTI SECONDARY SCHOOL	Co-operative Bank	01141276116900	301,761	4,140
KAVIANI PRIMARY SCHOOL	Co-operative Bank	01139550368700	2,402,428	
KIKATA PRIMARY SCHOOL	Co-operative Bank	01139550286200	128	
KIKOMBI PRIMARY SCHOOL	Co-operative Bank	01139072621201	37,858	37,858
KIKOMBI SECONDARY SCHOOL	Co-operative Bank	01141655749700	1,315	68,315
KINGONGOI SECONDARY SCHOOL	Co-operative Bank	01139550116300	83,266	4,301,505
KITENG'EI PRIMARY SCHOOL	Co-operative Bank	01139550846800	550	
KITHIA ASSISTANT CHIEFS OFFICE	Co-operative Bank	01141655674900	11,765	25,685
KITHUNGUINI PRIMARY SCHOOL	Co-operative Bank	01139549596200	0	1,141,580
KITULI PRIMARY SCHOOL	Co-operative Bank	01139549600300	862	119,003
KITUVU SECONDARY SCHOOL	Co-operative Bank	01139276332900	1,000	1,000
KOMAROCK PRIMARY SCHOOL	Co-operative Bank	01141071975900	0	1,000
KWA NGENGI SECONDARY SCHOOL	Co-operative Bank	01139549004100	25,293	1,000
KWANZIMBI PRIMARY SCHOOL	Co-operative Bank	01139072624101	0	34,933
KWALE PRIMARY SCHOOL	Co-operative Bank	01139549561700	9,927	291,372

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
KWAMUUNDA PRIMARY SCHOOL	Co-operative Bank	01139550821200	5,157	902,808
LITA ASSISTANT CHIEFS OFFICE	Co-operative Bank	01141655676100	0	221,308
LUMBWA PRIMARY SCHOOL	Co-operative Bank	01139550366900	1,001,843	1,355,313
LUMBWA SECONDARY SCHOOL	Co-operative Bank	01139550624600	16,374	
MAANZONI PRIMARY SCHOOL	Co-operative Bank	01139550965700	2,842.50	
MANGAANI PRIMARY SCHOOL	Co-operative Bank	01139072506001	2,693	203,693
MBEE HIGH SCHOOL	Co-operative Bank	01139550003200	1,198,493	3,001,276
MBUUNI SECONDARY SCHOOL	Co-operative Bank	01141033448700	333,972	2,198,975
MISUUNI PRIMARY SCHOOL	Co-operative Bank	01141550715800	7,370	2,224,462
MITABONI BOYS SCONDARY SCHOOL	Co-operative Bank	01141749165200	952,861	2,915,712
MITABONI POLICE POST	Co-operative Bank	01141655674700	928	992,238
MUKANYI PRIMARY SCHOOL	Co-operative Bank	01139549702500	10,016	
MUONYWENI SECURITY POST	Co-operative Bank	01141748266100	4,814	1,001,549
MUTONDONI PRIMARY SCHOOL	Co-operative Bank	01139276532900	700	700
NGELENI PRIMARY SCHOOL	Co-operative Bank	01139550370100	3,213	68,533
NGIINI SECONDARY SCHOOL	Co-operative Bank	01139550110000	120,783	120,783
NGOLENI SECONDARY SCHOOL	Co-operative Bank	01139549557300	6,403	1,003,883

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PMC	Bank	Account number	Bank Balance	Bank Balance
			2022/2023	2021/2022
NGOLENI ASSISTANT CHIEFS OFFICE	Co-operative Bank	01141655678600	1,235	48,335
NTHUNGUNI PRIMARY SCHOOL	Co-operative Bank	01139550894000	979	1,550,249
NZAIKONI PRIMARY SCHOOL	Co-operative Bank	01139550369400	7,243	7,243
REV. KITONYI MEMORIAL SECONDARY SCHOOL	Co-operative Bank	01139748980700	1,478	2,660,520
ST. BENEDICT KITULI SECONDARY SCHOOL	Co-operative Bank	01139277645001	29,747	679,053
THINU SECONDARY SCHOOL	Co-operative Bank	01139550813200	0	4,806,250
MWANGA PRIMARY SCHOOL	Co-operative Bank	01139072616902	1,689	
WANDATHE PRIMARY SCHOOL	Co-operative Bank	01139550369600	1,017	1,664,023
Total			7,146,170	49,524,397

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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
4.1		<p>Budget and budgetary performance</p> <p>The summary statement of appropriation reflects a receipt and expenditure budget of kshs 211,777,738 and kshs 233,616,500 respectively however the fund spend 196,818,665 against the approved budget resulting to an underperformance of kshs 36,797,182 or 15% of the budget . Further the funds budget was unbalanced contrary to regulation 33© of the public finance management national government regulations ,2015 which states that the budget shall be balanced</p>	<p>Delays in funding occasioned under absorption of budget</p>	<p>Not Resolved</p>	<p>30/06/2023</p>
4.2		<p>In accuracies in cash and cash equivalents the statement of assets</p>	<p>Errors in cash and cash Equivalents where rectified</p>	<p>Resolved</p>	<p>30/06/2023</p>

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Reference No. on the external audit Report		Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		and liabilities and as disclosed in note 10A to the financial statement reflects cash and cash equivalents balance of kshs 36,797,834 however the bank reconciliation statement for the month of june 2022 shows unpresented cheques totalling to kshs 2,274,911 further the unpresented cheques included stale cheques amounting to kshs 1,241,911 which had not been written back to the cashbook the stale cheques included bursary disbursements	and edited financial statements forwarded to the auditors after the audit and the issue was resolved		
4.3		Unsupported expenditure in use of goods and services the financial statements reflects kshs 14,828,497 in respect to use of goods and services as disclosed in note 5 included in the expenditure is an amount of kshs 5,716,700 paid as committee allowances however the audit revealed that payment vouchers amounting to	Payment vouchers copies to support expenditure of kshs 2,829,402 are hereby attached	Resolved	30/06/2023



Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	kshs 2,829,402 were not supported			
4.4	Un surrendered PMC balances The financial statements reflects a balance of kshs 49,524,397 in respect of funds held by various pmc accounts as disclosed in annex 5 however the amounts included kshs639,079 relating to balances held by various pmc accounts after the projects where completed but the same was not surrendered to the main account contrary to section 12(8) of the national constituencies development fund act 2015 which requires all unutilized funds of the project PMC to be returned to the constituency main account	Balances of PMC Accounts where not yet transferred to the main account by the time of audit however the management is committed to transfer the balances in the coming financial year	Not Resolved	30/06/2023
4.5	Lack of Approved Annual procurement plan The financial statements reflects kshs 95,159,118 as transfer to	An Annual procurement plan is in place and where produced to the auditors	Resolved	30/06/2023

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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>other government units as disclosed in note 6 in respect of various projects to be executed during the year in primary school and secondary school however the funds did not prepare and approve a procurement plan for the financial year 2021/2022 this was contrary to section 4593 (a) of the public procurement and assets disposal act 2015 which states that all procurement process shall be within the approved budget of the procuring entity and shall be planned by the entity concerned through an annual procurement plan</p>			

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ADD

Aurelia Nyika
Fund Account Manager.