

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KITUI WEST CONSTITUENCY**

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



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KITUI WEST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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• *Kitui West Constituency*
National Government Constituencies Development Fund (NGCDF)
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I. Acronyms and Abbreviations

CDF- Constituency Development Fund
NG-CDF-National Government Constituency Development Fund
NG-CDFC-National Government Constituency Development Fund Committee
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC- Project Management Committee
FY-Financial Year
FAM- Fund Account Manager
COC- Constituency Oversight Committee
OAG- Office of the Auditor General

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

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

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 Kitui West 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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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	Mr. Samuel Mutisya B.
2.	Sub-County Accountant	Mr. Patrick M. Mukuthi
3.	Chairman NGCDFC	Mr. Wilfred N. Keli
4.	Member NGCDFC	Mrs. Rhodester M. Muthui

(c) Fiduciary Oversight Arrangements

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

(d) Kitui West Constituency NGCDF Headquarters

P.O. Box 244-90205, Kabati,
NG-CDF Building,
Ndolos Corner, Along Kabati-Tulia Road,
KABATI, KENYA.

(e) Kitui West Constituency NGCDF Contacts

Telephone: (254) 797 753 275
E-mail: cdffituiwest@ngcdf.go.ke
Website: www.go.ke

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(f) Kitui West Constituency NGCDF Bankers

Equity Bank Ltd,
Kitui Branch,
P.O. Box 75104-00200,
NAIROBI.
Account No: 0720 262 084 328

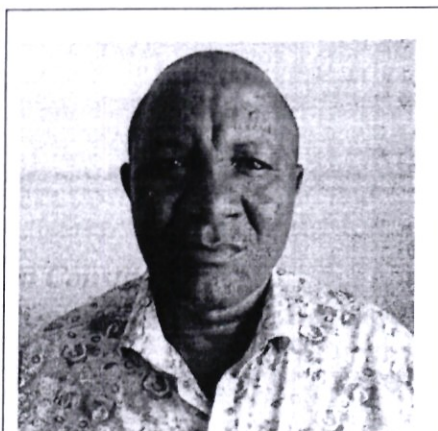
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



**Wilfred N. Keli, Chairperson
Kitui West NG-CDFC**

INTRODUCTION

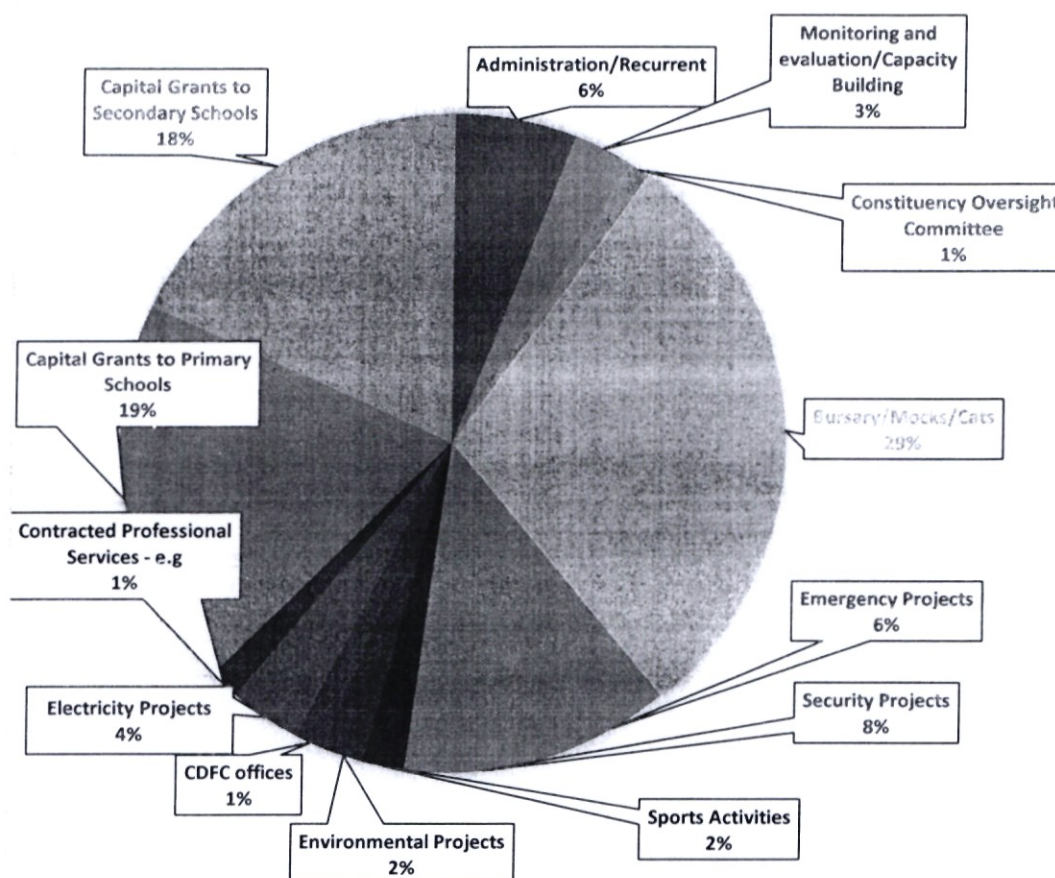
Kitui West Constituency is one of the constituencies that were created in 2013 and was curved from the old Kitui West Constituency. It comprises of a population of about 118,618 as per the 2019 census. The NG-CDFC has always dedicated time to ensure prudent management and fair allocation of resources received from the NG-CDF Board within the four wards in the constituency. Since its inception, the NG-CDF has completed several development projects that are geared towards infrastructural development, wealth creation and fighting against poverty in the constituency. During the financial year ended 30th June 2023, the NG-CDF received Ksh87 Million of the Ksh138,215,033 allocation translating to 63%. Of the amount received, all the development money was transferred to the PMCs for implementation.

(See attached pie Chart showing the sharing of the funds across different sectors)

NAME OF PROJECT	AMOUNT ALLOCATED (KSHS)	%
Administration/Recurrent	8,172,902	6
Monitoring and evaluation/Capacity Building	4,146,451	3
Constituency Oversight Committee	1,382,150	1%
Bursary/Mocks/Cats	40,082,360	29%
Emergency Projects	7,636,190	6%
Security Projects	10,620,000	8%
Sports Activities	2,764,301	2%
Environmental Projects	2,764,301	2%
CDFC offices	2,000,000	1%
Electricity Projects	5,000,000	4%
Contracted Professional Services - e.g Strategic Planning	2,000,000	1%
Capital Grants to Primary Schools	26,576,378	19%
Capital Grants to Secondary Schools	25,070,000	18%
TOTAL	138,215,033	100%

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KITUI WEST NG CDF ALLOCATIONS 2022-2023

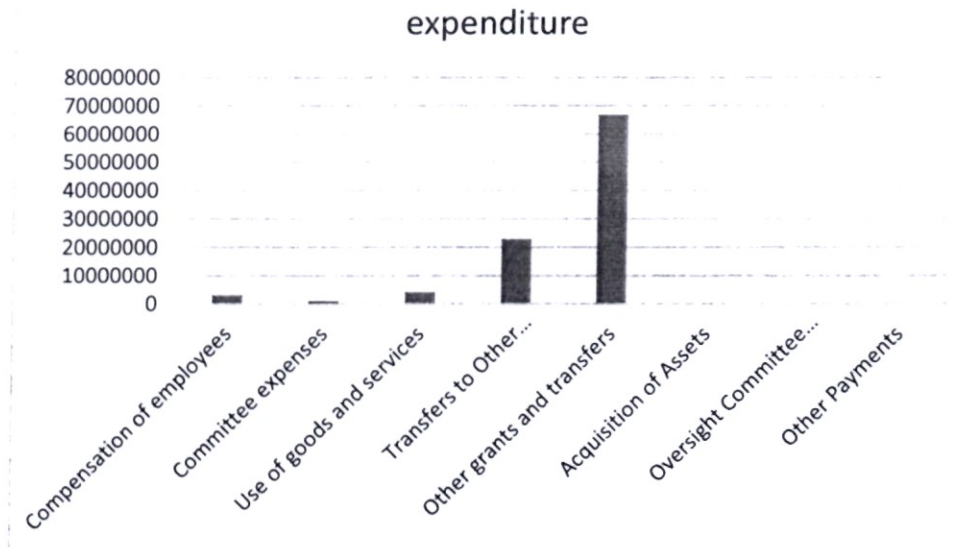


Constituency expenditure

Kitui West in the financial year received a disbursement from the NG-CDF Board of Ksh 87 Million added to the opening balance of Ksh19,229,900 making total receipts of Ksh106,875,016.95.

Out of the receipts, the expenditures were as follows:

KITUI WEST NG-CDF PAYMENTS 2022/2023	
Compensation of employees	3,428,932
Committee expenses	857,800
Use of goods and services	4,012,219
Transfers to Other Government Units	22,826,378
Other grants and transfers	66,677,997
Acquisition of Assets	-
Oversight Committee Expenses	-
Other Payments	-
TOTAL PAYMENTS	97,803,327



KEY ACHIEVEMENTS

In the 2022/23 financial year a tune of over Ksh41 million was used on bursary ensuring more than 5000 learners are kept in school both secondary and tertiary levels.

Further, 35 primary schools and 17 secondary schools benefitted from various infrastructural improvements that sought to improve the learning environment. On security, 13 facilities across the constituency benefitted with infrastructural improvements key among them being Ndolos and Kathivo police stations that once complete will greatly improve security in the constituency and the region.



Construction of Kathuma Assistant Chief's Office going on



Fencing of Kyeng'e primary school

In the financial year 2022/23, the Kitui NG-CDF has continued to operationalize the use of technology in budgeting through the NG-CDF MIS and expenditure through the Vote book management system. Out of the funds received a total of Ksh97,369,468 was spend as per the approved code-list.

The NG-CDFC has endeavoured to ensure there is value for money in the implemented projects through continuous monitoring of the projects.

The NG-CDFC further wishes to thank the NGCDF Board for timely release of funds when received from the national treasury and for providing the much-needed technical backstopping in the fund management.

The NG-CDFC further wishes to sincerely thank the key departmental heads and stakeholders who ensured the Kitui West NG-CDF achieved objectives.

EMERGING ISSUES

During the financial year there were no notable emerging issues.

IMPLEMENTATION CHALLENGES

During the course of financial year there was an unexpected hike in cost of construction materials and inflation that affected implementation of fencing and construction projects. As a result the scope of works of some of the projects was scaled down.

WAY FORWARD

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Going forward NGCDF Committee has resolved to allocate more funds as a priority to the incomplete projects during the 2022/2023 financial year. Further, the NG-CDFC has encouraged the use of locally available materials and labour to reduce on overall project cost.


.....

Name
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Kitui West Constituency 2018-2023* plan are to:

- a) Provision of quality education through support of school infrastructure and award of bursaries to the needy students
- b) Promote Environmental sustainability through tree planting in schools
- c) Support quality infrastructure development within the constituency
- d) Empower youth, women and people living with disability through Constituency sports tournament, provision of sports Kits and training of boda boda riders in the constituency
- e) Enhance ICT Skills through provision of computers to schools and establishment of constituency innovation hubs
- f) Promote NG-CDF staff welfare through Improved work environment and better remuneration
- g) Provision of security through improved infrastructure

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In the FY 22/23</p> <ul style="list-style-type: none"> -we increased number of classrooms by 10 in primary and 5 in secondary schools, dormitories by 6 in secondary , laboratories by 5 fencing by 20 and Administration blocks by 5. We also renovated 20 schools. - over 3000 Bursary beneficiaries at secondary and 2000 in tertiary were kept in school.
Security	Enhancing security, provision of conducive	-Easy access to government services	-Number of completed Police stations, Chief's/	In the F/Y 22-23, we constructed offices, pit latrines

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	working environment and bringing Government services closer to the constituents.	-Morale boost among the personnel -Improved Security in the society.	Assistant Chief's offices, fencing and pit latrines.	and furnished 20 Chief's/Assistant Chief's offices, Fenced 4 Chief's/Assistant Chief's offices and 2 Police Post. Security offices were also renovated.
Environment	Supporting tree planting activities, construction of sand dams and prevention of Covid-19 infection through hand washing.	Afforestation and Sustained environment free from soil erosion and prevention of flooding downstream. Prevention of Covid-19 infection among the constituents.	-Number of sand dams constructed - Number of litter bins supplied and, - Number of seedlings planted.	In the F/Y 22-23, we constructed 2 sand dams, supplied 5 school with 10,000 litter water tanks with associated water harvesting equipment.
Sports	Supporting sporting activities through constituency tournament and supply of sports uniforms and balls to the teams.	Youth empowerment, curbing of substance and drug abuse and sensitizing them on good morals. Promoting harmony and peaceful coexistence in the constituency.	-Number of constituency tournaments held - Number of teams supplied with uniforms and balls.	In the F/Y 22-23, we had 1 constituency tournament. We supplied 32 teams with uniforms and balls (Volleyballs & Footballs). More sports activities are underway to ensure the youth are continually engaged
Emergency	Promote initiatives on Prevention of disasters and mitigation practices in case of unforeseen events in the constituency.	To mitigate emergency events when they occur through the emergency kitty.	-Number of emergency projects undertaken	In the F/Y 22-23, Constructed 11 pit latrines, Fenced 1 primary school, Repaired 2 Primary Schools, Equipped 3 Offices.

V. Statement of Governance

Introduction

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

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The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Kitui West, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member coopted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board coopts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of NG-CDFC Members

The selection Panel

The selection panel was appointed in the month of September 2022. This constituted four members as follows;

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SNO	NAME	DESIGNATION
1	George Orina	chair
2	Nicholas N. Kimanzi	secretary
3	Mary S. Mutunga	member
4	Festus K. Kasau	member

In the month of August 2022, due to change of regime as a result of election, the serving committee was phased out. This caused the NGCDF office to carry out an appointment of the new committee.

In Kitui West constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of September 2022.

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Kitui West Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Wilfred Keli Nzangi	Male- Adult	Kwa Mutonga/Kithumula
2.	Andrew Mwandikwa Masila	Male- Youth	Mutonguni
3.	Grace Munanie Kyembeni	Female- Youth	Kwa Mutonga/ Kithumula
4.	Hellen Ndimu Zakayo	Female- Adult	Matinyani

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Mwende Nzila	Blind	Kauwi

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Musyoka Mengo	Male Representative	Matinyani
2	Rhodester Mwende Muthui	Female Representative	Mutonguni

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Festus Titus Kimele	Male	Kauwi

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Wilfred Keli Nzangi
2. Secretary position – Andrew Mwandikwa Masila

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The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted volume number 276 on 16th December 2022.

The new committee held its first meeting on 5th January, 2023.

Sno.	Name	Position
1	Wilfred Keli Nzangi	Chair person
2	Andrew Mwandikwa Masila	secretary
3	Grace Munanie Kyembeni	member
4	Hellen Ndimu Zakayo	member
5	Mwende Nzila	member
6	Musyoka Mengo	member
7	Rhodester Mwende Muthui	member
8	Festus Titus Kimele	member
9	Samuel Mutisya B.	member
10	Thomas Siele -DCC	member

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Kitui West the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.

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- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Kitui- Kabati in August, 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kitui West.

Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NGCDFC Kitui West held 11 meetings through the year, 1 being for the previous committee while 10 for the current committee as illustrated as follows;

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Schedule of meetings held during the FY 2022/2023

S.No	NG-CDFC COMMITTEE MEMBERS	19 oct 22	5 Jan 23	16 Jan 23	16 Feb 23	9 Mar 22	14 Apr 23	25 Apr 23	19 May 23	13 Jun 23	28 Jun 23	27 Jul 23
1	Wilfred Nzangi Keli - chairperson	√	√	√	√	√	√	√	√	√	√	√
2	Andrew Mwandikwa Masila - Secretary	√	√	√	√	√	√	√	√	√	√	√
3	Hellen Ndimu Zakayo - Member	√	√	√	√	√	√	√	√	√	√	√
4	Rhoderster Mwende Muthui - Member	√	√	√	√	√	√	√	√	√	√	√
5	Angela Mwende Nzila- PWD	√	√	√	√	√	√	√	√	√	√	√
6	Grace Munanie Kyembeni- Member	√	√	√	√	√	√	√	√	√	√	√
7	Musyoka Mengo- Member	√	√	√	√	√	√	√	√	√	√	√
8	Titus Festus Kimele- Member	√	√	√	√	√	√	√	√	√	√	√
9	Nicholas Kimanzi/Samuel Mutisya B. - FAM	√	√	√	√	√	√	√	√	√	√	√
10	Thomas Siele - DCC	√	√	√	√	√	√	√	√	√	√	√

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.

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iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Kitui West adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7000 per meeting and all other members an allowance of ksh.5000 per sitting as per NG-CDF Board circular. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or 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 other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Kitui West contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service. Some of the risk mitigation strategies that NGCDFC Kitui West has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

Kitui west NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid-19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 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

- During the financial year, Kitui West NGCDF collaborated with a local NGO (We the trees) to plant trees in various schools.
- The NGCDFC also constructed two sand dams to prevent flooding downstream.

3. Employee welfare

We invest in providing the best working environment for our employees. Kitui West constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kitui West 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-

Kitui West NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption

- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

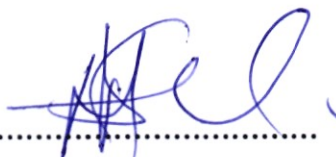
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



.....
Name: Samuel Mutisya B.

FAM

***Kitui West Constituency
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VII. Statement Of Management Responsibilities

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

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

The Accounting Officer in charge of the NGCDF-Kitui West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kitui West Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Kitui West 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- Kitui West Constituency financial statements were approved and signed by the Accounting Officer on 22nd September, 2023.

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



.....
Name: Wilfred N. Keli
Chairman – NGCDF Committee



.....
Name: Samuel Mutisya B.
Fund Account Manager

REPUBLIC OF KENYA

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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 - KITUI WEST 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- Kitui West Constituency set out on pages 1 to 49,

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

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 effects of the matter 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 - Kitui West 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

Stale Cheques

The statement of assets and liabilities reflects bank balance of Kshs.8,717,497 as disclosed in Note 12 to the financial statements. Review of the bank reconciliation statement for the month of June, 2023 revealed unrepresented cheques totalling Kshs.27,369,778 as at 30 June, 2023. However, outstanding cheques totalling Kshs.1,687,733 were stale as at 31 December, 2023 and had not been reversed in the cashbook. Management did not provide explanation on why the cheques were not presented for payment and reversed in the cashbook.

In the circumstances, the accuracy and completeness of bank balance of Kshs.8,717,497 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.157,445,012 and Kshs.106,875,017 respectively, resulting to an under-funding of Kshs.50,569,995 or 32% of the budget. Similarly, the Fund spent a balance of Kshs.97,803,327 against actual receipts of Kshs.106,875,017 resulting to an under-utilization of Kshs.9,071,690 or 8% 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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Management has however, not resolved the issues or provided 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. Delay in Project Implementation

Review of the project implementation status report as at 30 June, 2023 revealed that, the Fund allocated Kshs.74,294,979 for implementation of seventy-six (76) projects. However, only sixty-seven (67) projects worth Kshs.54,287,828 were completed and put to use while nine (9) projects worth Kshs.20,007,150 were on-going and at various completion levels. No satisfactory explanation was provided for the delayed implementation of projects or measures in place to remedy the situation.

In the circumstances, value for money may not have been realized due to delayed completion of projects.

2. Unsatisfactory Project Implementation

The statement of receipts and payments reflects transfers to other Government units of Kshs.22,826,378 as disclosed in Note 7 to the financial statements. Further, the statement reflects other grants and transfers amount of Kshs.66,677,998 which includes security, environment and emergency projects amounts of Kshs.12,920,000, Kshs.2,743,638 and Kshs.7,205,000 respectively as disclosed in Note 8 to the financial

statements. However, review of the project records of twenty-three (23) projects sampled for inspection revealed the following anomalies:

2.1 Poor Workmanship for Projects

The Fund transferred Kshs.4,200,000 to three PMCs' for project implementation as summarized in the table below. A site visit on 19 March, 2024 revealed that the projects were complete and in use. However, there were visible cracks on the inner walls and floors and the contractors had not remedied the defects before settlement of the total contract sum.

Project name	Activity	Amount (Kshs.)	Remarks
Arch Bishop Mangélu Secondary school	Completion of 100 students' capacity dormitory	1,100,000	Had visible cracks on the walls and floors
Kitamwiki Primary school	Construction to completion of one classroom	1,100,000	Had visible cracks on the inner walls and floors
Utoo Primary School	Construction to completion of a 4 roomed administration block	2,000,000	Had visible cracks on the inner walls and floors
Total		4,200,000	

In the circumstances, value for money of Kshs.4,200,000 could not be confirmed.

2.2 Completed but not in use Projects

The Fund allocated Kshs.3,350,000 for the implementation of three (3) projects. A site visit on 19 March, 2024 revealed that the projects were completed. However, the projects had not been put to full use as detailed here below;

Project Name	Activity	Amount (Kshs.)	Project Status
Arch Bishop Mangélu Secondary School	Completion of a 100 students capacity dormitory	1,100,000	80% not occupied
Utoo Primary School	Construction to completion of a four (4) roomed administration block comprising of head teacher's office, Deputy Head Teacher, staff room and store	2,000,000	Two (2) Rooms not in use
Mithini Assistant Chief's Office	Construction of a two-door pit latrine	250,000	Complete but not in use
Total		3,350,000	

In the circumstances, value for money on the expenditure incurred on the projects may not have been realized.

The audit was conducted in accordance with the 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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall 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 comply with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2024

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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	645,037	335,000
TOTAL RECEIPTS		87,645,037	182,512,758
PAYMENTS			
Compensation of employees	4	3,428,932	3,953,381
Committee expenses	5	857,800	5,822,950
Use of goods and services	6	4,012,219	6,459,198
Transfers to Other Government Units	7	22,826,378	90,250,000
Other grants and transfers	8	66,677,998	101,062,785
Acquisition of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
TOTAL PAYMENTS		97,803,327	207,548,314
SURPLUS/DEFICIT		(10,158,290)	(25,035,556)

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

The Constituency financial statements were approved by the NGCDFC on **22nd September, 2023** and signed by:


 Fund Account Manager

Name: Samuel Mutisya B.


 National Sub-County Accountant

Name: Patrick M. Mukuthi
 ICPAK M/No:


 Chairman NG-CDF Committee

Name: Wilfred N. Keli

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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	8,717,497	19,229,980
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		8,717,497	19,229,980
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		8,717,497	19,229,980
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	433,859	788,052
NET FINANCIAL SSETS		8,283,638	18,441,928
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	18,441,928	43,477,485
Prior year adjustments	16		-
Surplus/Deficit for the year		(10,158,290)	(25,035,556)
NET FINANCIAL POSITION		8,283,638	18,441,929
		-	(1)

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

The Constituency financial statements were approved by NG CDFC on **22nd September, 2023** and signed by:



Fund Account Manager

Name: Samuel Mutisya B.



National Sub-County Accountant

Name: Patrick M. Mukuthi
ICPAK M/No:



Chairman NG-CDF Committee

Name: Wilfred N. Keli

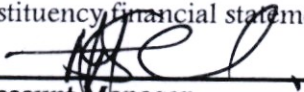
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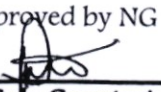
XI. Statement Of Cash Flows for The Year Ended 30th June 2023

		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	645,037	335,000
		87,645,037	182,512,758
Payments for operating activities			
Compensation of Employees	4	3,428,932	3,953,381
Committee expenses	5	857,800	5,822,950
Use of goods and services	6	4,012,219	6,459,198
Transfers to Other Government Units	7	22,826,378	90,250,000
Other grants and transfers	8	66,677,998	101,062,785
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
		97,803,327	207,548,314
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	(354,193)	503,440
Prior year Adjustments	16	-	-
Net cash flow from operating activities		(10,512,483)	(24,532,116)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,512,483)	(24,532,116)
Cash and cash equivalent at BEGINNING of the year		19,229,981	43,762,097
Cash and cash equivalent at END of the year	12	8,717,497	19,229,981

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

The Constituency financial statements were approved by NG CDFC on 22nd September, 2023 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Samuel Mutisya B.

Name: Patrick M. Mukuthi
ICPAK M/No:

Name: Wilfred N. Keli

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XII. 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	138,215,032	19,229,980	0	157,445,012	106,229,980	51,215,032	67.5%
Proceeds from Sale of Assets			0	0	-	-	
Other Receipts			0		645,037	645,037	0.0%
TOTAL RECEIPTS	138,215,032	19,229,980	0	157,445,012	106,875,017	50,569,995	67.9%
PAYMENTS							
Compensation of Employees	4,159,863	2,550,065	0	6,709,928.00	3,428,932	3,280,996	51.1%
Committee expenses	2,612,000	60,424	0	2,672,424	857,800	1,814,624	32.1%
Use of goods and services	5,547,489	2,355,423	0	7,902,912	4,012,219	3,890,693	50.8%
Transfers to Other Government Units	51,646,378	0	0	51,646,378.00	22,826,378	28,820,000	44.2%
Other grants and transfers	63,867,152	13,749,068	0	77,616,220	66,677,998	10,938,222	85.9%
Acquisition of Assets	0	0	0	-	-	-	

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Oversight Committee Expenses	1,382,150	0	0	1,382,150	-	1,382,150	0.0%
Other Payments	9000000	0	0	9,000,000	-	9,000,000	0.0%
unallocated/unapproved fund	0	515,000		515,000	-	1,160,036	
TOTAL	138,215,032	19,229,980	0	157,445,012	97,803,327	60,286,721	62.1%

Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects. It includes Ksh515,000 from previous year and Ksh645,036 realized in the current year- 2022/23 totalling to Ksh1,160,036.00

Explanatory Notes.

Compensation of employees-After the expiry of staff contracts the NG CDFC took long before engaging them on new contracts hence underutilization.

Committee Expenses- This was due to late disbursement of funds from the Board.

Use of Goods and Services- This was due to late disbursement of Funds from the Board.

Transfer to Other Government Units- This was due to late disbursement of Funds from the Board.

Other Grants and Transfers- This was due to late disbursement of Funds from the Board.

Oversight Committee Expenses- This was due to late disbursement of Funds from the Board.

AIA/ Unallocated/unapproved Funds- Waiting approval from the Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	60,286,722
Less undisbursed funds receivable from the Board as at 30th June 2023	51,215,032
	9,071,691
Decrease Accounts payable	(354,193)

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Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2022/2023	8,717,498

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

The Constituency financial statements were approved by NG CDFC on **22nd September, 2023** and signed by:



Fund Account Manager

Name: Samuel Mutisya B.



National Sub-County Accountant

Name: Patrick N. Mukuthi
ICPAK M/No:



Chairman NG-CDF Committee

Name: Wilfred N. Keli

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XIII. 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)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,159,863	2,550,065	-	6,709,928	3,428,932	3,280,996	51
1.2 Committee allowances	1,488,000	21,924	-	1,509,924	826,700	683,224	55
1.3 Use of goods and services	2,525,038	1,040,059	-	3,565,097	2,448,374	1,116,723	69
Total	8,172,901	3,612,048	-	11,784,949	6,704,006	5,080,943	57
2.0 Monitoring and evaluation							
2.1 Capacity building	1,090,000	1,025,510		2,115,510	539,367	1,576,143	25
2.2 Committee allowances	1,124,000	38,500		1,162,500	31,100	1,131,400	3
2.3 Use of goods and services	1,932,451	289,854		2,222,305	1,024,478	1,197,827	46
Total	4,146,451	1,353,864	-	5,500,315	1,594,945	3,905,370	29
3.0 Emergency	7,636,190	4,456,295		12,092,485	7,205,000	4,887,485	60
3.1 Primary Schools		-		-		-	

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3.2 Secondary schools		-		-		-	
3.3 Tertiary institutions		-		-		-	
3.4 Security projects			-	-		-	
3.5 Unutilised		-		-		-	
Total	7,636,190	4,456,295	-	12,092,485	7,205,000	4,887,485	60
4.0 Bursary and Social Security				-			
4.1 Secondary Schools	26,000,000	1,055,757	-	27,055,757	27,055,300	457	100
4.2 Tertiary Institutions	14,082,360	1	-	14,082,361	14,014,450	67,911	100
4.3 Social Security		-		-		-	
4.4 Special Needs			-	-	-		
Total	40,082,360	1,055,758	-	41,138,118	41,069,750	68,368	100
5.0 Sports							
5.1	2,764,301	2,741,778	-	5,506,078	2,739,610.10	2,766,468	50
Total	2,764,301	2,741,778	-	5,506,078	2,739,610.10	2,766,468	50
6.0 Environment							
		-		-		-	
Supply of Water Tanks		1,650,000	-	1,650,000	1,648,400.00	1,600	100
Ndiang'u Kauma- Kwa Water S. Dam		1,095,238	-	1,095,238	1,095,237.59	-	100

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Supply of Water Tanks	750,000	-	-	750,000	-	750,000	-
Mithumu River sand Dam	1,007,151	-	-	1,007,151	-	1,007,151	-
Kyethinya River sand Dam	1,007,150	-	-	1,007,150	-	1,007,150	-
Total	2,764,301	2,745,238	-	5,509,539	2,743,637.59	2,765,901	50
7.0 Primary Schools Projects							
Kiumoni Primary School	1,100,000	-	-	1,100,000	1,100,000	-	100
Utoo Primary School	2,000,000	-	-	2,000,000	2,000,000	-	100
Kyeng'e Primary school	650,000	-	-	650,000	650,000	-	100
Kwa Kitisya Primary School	150,000	-	-	150,000	150,000	-	100
St. Marys Kavole Primary School	200,000	-	-	200,000	200,000	-	100
Kithmula primary School	650,000	-	-	650,000	-	650,000	-
Kilimu Primary School	450,000	-	-	450,000	450,000	-	100
Matinyani D.E. B Primary School	3,100,000	-	-	3,100,000	-	3,100,000	-
Kitunduni Primary School	150,000	-	-	150,000	150,000	-	100
Kyambevo Primary school	420,000	-	-	420,000	420,000	-	100
Nzemeli Primary School	150,000	-	-	150,000	150,000	-	100
Syokithumbi Primary School	150,000	-	-	150,000	150,000	-	100

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Kangungi Primary School	250,000	-	-	250,000	250,000	-	100
Syomuitu Primary School	442,000	-	-	442,000	442,000	-	100
Tulia Special Primary School	600,000	-	-	600,000	600,000	-	100
Kakumi Primary School	500,000	-	-	500,000	500,000	-	100
Kwa Silu Primary School	400,000	-	-	400,000	-	400,000	-
Kathuma Primary School	400,000	-	-	400,000	-	400,000	-
Maselele Primary School	437,100	-	-	437,100	437,100	-	100
Kikanga Primary School	920,000	-	-	920,000	-	920,000	-
Kavumbu Primary School	600,000	-	-	600,000	600,000	-	100
Kwa Musyimi Primary School	500,000	-	-	500,000	500,000	-	100
Kalimani Primary School	1,100,000	-	-	1,100,000	-	1,100,000	-
Mikuyu Mikya Primary School	500,000	-	-	500,000	500,000	-	100
Manzi Itumo Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
Ngesu Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
Ukuni Primary School	1,100,000	-	-	1,100,000	-	1,100,000	-
Kwa Mukoo Primary School	1,007,278	-	-	1,007,278	1,007,278	-	100
Kwa Ndondo Primary school	1,100,000	-	-	1,100,000	1,100,000	-	100

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Kitundumo Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
Kitamwiki Primary School	1,250,000	-	-	1,250,000	1,250,000	-	100
Kyondoni Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
AIC Ngunguuni Primary School	1,100,000	-	-	1,100,000	-	1,100,000	-
Mangelu Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
Kaanzoni Primary School	200,000	-	-	200,000	200,000	-	100
Total	26,576,378	-	-	26,576,378	17,806,378	8,770,000	67
8.0 Secondary Schools Projects							
Kyeni Mixed Day Sec School	4,000,000	-		4,000,000	-	4,000,000	-
Mithiikwani Secondary School	500,000	-		500,000	-	500,000	-
Muthale Mixed Secondary School	170,000	-		170,000	170,000.00	-	100
St. Dorcas Maselele Secondary School	150,000	-		150,000	-	150,000	-
Kalindinditi Secondary School	2,900,000	-		2,900,000	-	2,900,000	-
Kitunduni Secondary School	400,000	-		400,000	400,000.00	-	100
Kalimani Secondary School	1,700,000	-		1,700,000	-	1,700,000	-
Katheka Secondary School	1,000,000	-		1,000,000	1,000,000.00	-	100
Katutu Girls Secondary School	1,900,000	-		1,900,000	-	1,900,000	-

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St. patricks Kalindilo Secondary School	1,700,000	-		1,700,000	-	1,700,000	-
St. Johns Kwa Mulungu Secondary School	450,000	-		450,000	-	450,000	-
Arch Bishop Lele Secondary School	1,100,000	-		1,100,000	1,100,000.00	-	100
AIC Matinyani Mixed Secondary School	2,500,000	-		2,500,000	-	2,500,000	-
Kakumuti secondary School	2,850,000	-		2,850,000	1,000,000.00	1,850,000	35
St. josephs Musosya Secondary School	2,400,000	-		2,400,000	-	2,400,000	-
Kangungi Secondary School	700,000	-		700,000	700,000.00	-	100
Kivani Mixed Day Secondary School	650,000	-		650,000	650,000.00	-	100
Total	25,070,000	-	-	25,070,000	5,020,000	20,050,000	20
9.0 Tertiary institutions Projects				-		-	
						-	
Total	-		-	-	-	-	
10.0 Security Projects							
Mithini Assistant Chief's Office	-	1,250,000	-	1,250,000	1,250,000	-	100
Mutonguni/Tulia Police Station	-	1,000,000	-	1,000,000	1,000,000	-	100
Matinyani Police HQs	-	500,000	-	500,000	500,000	-	100
Mikuyu Mikya Assistant Chief	220,000	-	-	220,000	220,000	-	100
Kwa Mumo Assistant Chief	150,000			150,000	150,000	-	100

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Miwongoni Assistant Chief	150,000			150,000	150,000	-	100
Kombu Chiefs Office	150,000			150,000	150,000	-	100
Mithiikwani Chiefs Office	150,000			150,000	150,000	-	100
Mutulu AP Line	150,000			150,000	150,000	-	100
Kathivo Police Station	2,750,000			2,750,000	2,750,000	-	100
Ndolos Police Station	2,500,000			2,500,000	2,500,000	-	100
Kathuma Assistant Chiefs Office	1,250,000			1,250,000	1,250,000	-	100
Katheuni Assistant Chiefs Office	450,000			450,000	450,000	-	100
Nzakame Assistant Chiefs Office	450,000			450,000	-	450,000	-
Kauwi Chiefs Office	1,250,000			1,250,000	1,250,000	-	100
Kauwi Critical Infrastructure Police Unit Camp	1,000,000			1,000,000	1,000,000	-	100
Total	10,620,000	2,750,000	-	13,370,000	12,920,000	450,000	97
11.0 Acquisition of assets				-		-	
	-						
Total	-		-	-		-	
12.0 Oversight Committee Expenses (itemize)				-		-	
Daily subsistence Allowance	100,000		-	100,000	-	100,000	-

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Accommodation- Domestic Travel	300,000	-	-	300,000	-	300,000	-
Other Committee Expenses	600,000	-	-	600,000	-	600,000	-
Travel Costs	240,000	-	-	240,000	-	240,000	-
Advertising	65,000	-	-	65,000	-	65,000	-
Refined Fuels	77,150	-	-	77,150	-	77,150	-
Total	1,382,150	-	-	1,382,150	-	1,382,150	-
13.0 Other payments							
Strategic plan	2,000,000	0.00	2,000,000.00	2,000,000.00		2,000,000.00	-
Kitui west Constituency NG CDF Office	2,000,000	0.00	2,000,000.00	2,000,000.00		2,000,000.00	-
Rerec	5,000,000	0.00	5,000,000.00	5,000,000.00		5,000,000.00	-
Total	9,000,000	-	9,000,000	9,000,000	-	9,000,000	-
14.0 unallocated fund							
Unapproved projects	-	-	-	-		-	
AIA	-		515,000	515,000		515,000	-
PMC savings	-					645,036	
Total		-	515,000	515,000	-	1,160,036	-
	188,215,032	-	19,229,980	157,445,012	97,803,327	60,286,721	62

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STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)							
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 %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
PAYMENTS							
Compensation of Employees	4,159,863	2,550,065	-	6,709,928	3,428,932	3,280,996	51
Committee expenses	2,612,000	60,424	-	2,672,424	857,800	1,814,624	32
Use of goods and services	5,547,489	2,355,423	-	7,902,912	4,012,219	3,890,693	51
Transfers to Other Government Units	51,646,378	-	-	51,646,378	22,826,378	28,820,000	44
Other grants and transfers	63,867,152	13,749,068	-	77,616,220	66,677,998	10,938,222	86
Acquisition of Assets	-	-	-	-	-	-	-
Constituency Oversight Committee	1,382,150	-	-	1,382,150	-	1,382,150	-
Other payments	9,000,000	-	-	9,000,000	-	9,000,000	-
UNALLOCATED FUND	-	515,000	-	515,000	-	1,160,036	-
TOTAL	138,215,032	19,229,980	-	157,445,012	97,803,327	60,286,721	62

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based.

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XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

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Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 9th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
Normal Allocation	Kshs	Kshs
B140960		33,000,000
B105481		44,000,000
B105826		22,000,000
B128571		5,000,000
B128882		12,000,000
B154080		15,000,000
B164418		39,088,879
B155975		12,088,879
B185127	7,000,000	
B185668	15,000,000	
B185537	6,000,000	
B206161	5,000,000	
B206427	12,000,000	
B205799	12,000,000	
B2057661	15,000,000	
B207821	15,000,000	
TOTAL	87,000,000	182,177,758

2. Proceeds From Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

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Notes To the Financial Statements (Continued)

3. Other Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	7,000	335,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	638,037	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	645,037	335,000

4. Compensation Of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,863,524	2,832,014
Personal allowances paid as part of salary		
House allowance	248,600	357,600
Transport allowance	227,000	327,000
Leave allowance		-
Gratuity-contractual employees	1,010,366	321,735
Employer Contributions Compulsory national social security schemes	79,442	115,032
TOTAL	3,428,932	3,953,381

5. Committee Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	293,300	2,755,277
Other committee expenses	564,500	3,067,673
TOTAL	857,800	5,822,950

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	67,947	17,914
Communication, supplies and services	308,468	616,723
Domestic travel and subsistence	496,450	779,310
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	568,385	1,123,117
Hospitality supplies and services	660,291	1,416,317
Insurance costs	280,758	280,798
Specialised materials and services	-	-
Office and general supplies and services	608,100	849,176
Fuel , oil & lubricants	820,900	709,100
Other operating expenses	75,402	2,699
Bank Charges	3,141	33,309
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	98,597	584,064
Routine maintenance- other assets	23,779	46,670
TOTAL	4,012,219	6,459,198

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	17,806,378	52,050,000
Transfers to Secondary Schools	5,020,000	38,200,000
Transfers to Tertiary Institutions	-	-
TOTAL	22,826,378	90,250,000

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Notes To the Financial Statements (Continued)

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	27,055,300	22,568,601
Bursary -Tertiary (see attached list)	14,014,450	27,309,460
Bursary- Special Schools	-	21,000
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	12,920,000	34,300,000
Sports Projects (see attached list)	2,739,610	5,492,592
Environment Projects (see attached list)	2,743,638	4,489,132
Emergency Projects (see attached list)	7,205,000	6,882,000
Roads Projects	-	-
TOTAL	66,677,998	101,062,785

9. Acquisition Of Assets

Non Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
TOTAL	-	-

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Notes To the Financial Statements (Continued)

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
TOTAL	-	-

11. Other Payments

11 Other Payments	2022/2023	2021/2022
	Kshs	Kshs
Strategic Plan	-	-
ICT Hubs	-	-
	-	-
TOTAL	-	-

12. Cash Book Bank Balance

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
<i>EQUITY Bank, A/C no.0720262084328, Kitui Branch. (main account)</i>	8,717,497	19,229,980
deposit account- N/a	-	-
	-	-
TOTAL	8,717,497	19,229,980

12B: 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	-	-

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Notes To the Financial Statements (Continued)

13. Outstanding Imprests

				<i>Balance (30/6/2022)</i>
				<i>Kshs</i>
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	-
	Date imprest taken	<i>Kshs</i>	<i>Kshs</i>	-
		-	-	-
		-	-	-
		-	-	-
TOTAL		-	-	-

14. Deposits and Retention

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

14 B Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1st July 2022(A)	788,052	284,612
Gratuity held during the year (B)	433,859	825,174
Gratuity paid during the Year (C)	788,052	321,734
Closing Gratuity as at 30th June 2023 D= A+B-C	433,859	788,052

15. Fund Balance B/F

	2022-2023	2021-2022
	Kshs (1/7/2022)	Kshs (1/7/2021)
Bank accounts	19,229,980	43,477,485
Cash in hand		
Imprest		
Total	19,229,980	
Less		
Payables-Gratuity	788,052	
Fund Balance Brought Forward TOTAL	18,441,928	43,477,485

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Notes To the Financial Statements (Continued)

16. Prior Year Adjustments

	Balance b/f FY 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance** b/ FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-		
Cash in hand	-	-	
Accounts Payable	-	-	
Receivables	-	-	
Others (specify)	-	-	
Total	-	-	

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	Kshs	Kshs
Outstanding Imprest as at 1st July 2022 (A)	-	-
Imprest issued during the year (B)	2,489,482	8,897,800
Imprest surrendered during the Year (C)	2,489,482	8,897,800
Closing accounts receivable as at 30th June 2023 (D=A+B-C)	-	-
Net changes in accounts receivables D-A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	Kshs	Kshs
Deposits and Retention as a t 1st July 2022 (A)	788,052	284,612
Deposits and Retention held during the year (B)	433,859	825,174
Deposits and Retention paid during the year ©	788,052	321,734
Closing accounts payable at 30th June 2023 (D=A+B- C)	433,859	788,052
Net changes in accounts payables D-A	(354,193)	503,440

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	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
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	3,280,996	2,046,624
Committee expenses	1,814,624	
Use of goods and services	3,890,693	2,226,853
Amounts due to other Government entities (see attached list)	28,820,000	851,300
Amounts due to other grants and other transfers (see attached list)	10,938,222	12,897,769
Acquisition of assets	-	188,995
Oversight Committee Expenses	1,382,150	
Others (specify)	9,000,000	-
Funds pending approval	1,160,036	515,000
Total	60,286,721	18,726,541

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	11,984,576	44,059,483
Total	11,984,576	44,059,483

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2022-2023	2021-2022	
Supplier of Goods or Services	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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Annex 2 - Analysis of Pending Staff Payables

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES				Comments
Name of Staff	Designation	Date employed	Outstanding Balance	
			30th June 2023	
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	Compensation of employees	3,280,996	2,046,541	Staff were recruited in February 2023
Committee expenses	NG-CDFC Allowances	1,814,624	188,995	NG-CDFC operations started in January 2023 after gazettelement
Use of goods & services	Goods and services for office use	3,890,693	2,226,853	NG-CDFC operations started in the second quarter after election period
Amounts due to other Government entities	Activity	Amount		
Kithumula primary School	Completion of fence	650,000		Delayed disbursements
Matinyani D.E. B Primary School	Completion of dormitory	3,100,000		Delayed disbursements
Kwa Silu Primary School	Completion of fence	400,000		Delayed disbursements
Kathuma Primary School	Completion of fence	400,000		Delayed disbursements
Kikanga Primary School	Renovation of classrooms	920,000		Delayed disbursements
Kalimani Primary School	Construction of one classroom	1,100,000		Delayed disbursements
Ukuni Primary School	Construction of one classroom	1,100,000		Delayed disbursements
AIC Ngunguuni Primary School	Construction of one classroom	1,100,000		Delayed disbursements
Kyeni Mixed Day Sec School	Construction of science lab	4,000,000		Delayed disbursements
Mithiikwani Secondary School	Completion of fence	500,000		Delayed disbursements
St. Dorcas Maselele Secondary School	Completion of classroom	150,000		Delayed disbursements
Kalindinditi Secondary School	Completion of science laboratory	2,900,000		Delayed disbursements

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Kalimani Secondary School	Completion of dinning hall	1,700,000		Delayed disbursements
Katutu Girls Secondary School	Completion of dinning hall	1,900,000		Delayed disbursements
St. patricks Kalindilo Secondary School	Completion of administration block	1,700,000		Delayed disbursements
St. Johns Kwa Mulungu Secondary School	Completion of staff house	450,000		Delayed disbursements
AIC Matinyani Mixed Secondary School	Completion of dinning hall	2,500,000		Delayed disbursements
Kakumuti secondary School	Completion of science laboratory	1,850,000		Delayed disbursements
St. josephs Musosya Secondary School	Completion of science laboratory	2,400,000		Delayed disbursements
Mutululu Secondary School	Purchase of bus project		851,300	Delayed disbursements
Sub-Total		28,820,000	851,300	
Amounts due to other grants and other transfers				
Emergency	Emergency projects	4,887,486	4,456,296	Delayed disbursements
Bursary	Bursary to Secondary Schools	457	204,457	Delayed disbursements
Bursary	Bursary to Tertiary Institutions	67,911		Delayed disbursements
Sports	Sports activities	2,766,468	2,741,778	Delayed disbursements
Environment	Supply of Water Tanks	1,600		Delayed disbursements
Environment	Supply of Water Tanks	750,000		Delayed disbursements

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Environment	Mithumu River sand Dam	1,007,151		Delayed disbursements
Environment	Kyethinya River sand Dam	1,007,150		Delayed disbursements
Nzakame Assistant Chiefs Office	Fencing compound	450,000		Delayed disbursements
Environment	Environment projects		2,745,238	Delayed disbursements
Security	Security projects		2,750,000	Delayed disbursements
Sub-Total		10,938,222	12,897,769	
Acquisition of assets				
Oversight Committee Expenses(itemize)	Facilitating the Constituency Oversight committee perform duties	1,382,150		Long electioneering period resulting in constitution and gazettelement of the oversight committee
Sub-Total		1,382,150		
Others (specify)				
REREC -	Funds for expansion of electricity through matching program	5,000,000		Delayed disbursements
Strategic plan	Development of 5 year strategic plan- 2023-2027	2,000,000		Delayed disbursements
NG-CDF Office renovations	funds for renovating NG-CDF Office and landscaping compound	2,000,000		Delayed disbursements

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Sub -Total		9,000,000		
Funds pending approval	AIA	522,000	515,000	Lengthy approval process of AIA
Sub-Total	PMC's	638,036		
		1,160,036	515,000	
Funds pending approval				
Grand Total		60,286,721	18,726,541	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2021/2022			2022/2023
Land	-	-	-	-
Buildings and structures	15,007,468	-	-	15,007,468
Transport equipment	7,233,966	-	-	7,233,966
Office equipment, furniture and fittings	1,291,700	-	-	1,291,700
ICT Equipment, Software and Other ICT Assets	1,473,181	-	-	1,473,181
Other Machinery and Equipment	600,300	-	-	600,300
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	25,606,615	-	-	25,606,615

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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
AIC Makolo Pri. Sch.	113930368690000	Co-operative	58,634	58,634
Kavumbu Primary school	113981100140000	Co-operative	5,874	5,874
Kyaani Primary school	113981130700000	Co-operative	129	37,899
Kitui West Environment	114130323920000	Co-operative	-	520,266
Kitui West Dccs office	114181052620000	Co-operative	169,931	9,931
Nzakame Assistant Chiefs office	113481072470000	Co-operative	1,767	1,767
Matinyani Boys' Sec. School	113930468370000	Co-operative	138,115	138,115
St. Mary's Kavole Primary School	113930479480000	Co-operative	9,365	1,001,007
Muthale Girls Secondary School	113930475780000	Co-operative	-	-
Katutu girls sec. School	7200003783000	Family Bank	287,473	2,279,478
Katheuni Sec. School	7200002721700	Family Bank	45	45
Mumbuni Primary	117847648000	KCB	2	154,928
Kangungi sec. sch.	125715473700	KCB	11,202	11,202
Utoo Mixed Sec Sch	116646134300	KCB	373,685	373,685
Miwongoni Primary School	125819972600	KCB	4,402	4,403
AIC Kyaani Girls Sec Sch	118452156500	KCB	1,995	1,995
Kauwi Resource Centre	117895637700	KCB	2,619	2,619
Kwa Kitui Primary School	117840180400	KCB	2,488	2,488
Mithiikwani Sec sch	114805891500	KCB	6,163	6,163

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FMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kalia Primary School	125810743000	KCB	9,435	9,435
Ngengekani Primary school	120002977100	KCB	1,120	1,120
Mutini Pri. Sch	102411780090000	National Bank	1,668	96,498
Yalatani Pri. Sch	102411780380000	National Bank	11,864	87,865
Kakumi Pri. Sch.	102411780950000	National Bank	19,036	52,083
Kivani D.E.B Primary sch.	102412867930000	National Bank	21,232	21,232
AIC Matinyani Pri. Sch.	102224232330000	National Bank	-	286,844
Kekeani Pri. Sch.	102411789810000	National Bank	-	3,615
Kakumuti sec. sch.	102009018480000	National Bank	999,814	3,774
St. Josephs musosya	102512307010000	National Bank	3,310	3,310
Kekeani Sec. Sch.	102221759400000	National Bank	1,901	149,828
St. Johns kwa-mulungu Sec. Sch.	102512307700000	National Bank	55,765	24,415
Tulia Primary school	102411780270000	National Bank	1,664	164
Mavalo Primary School	102413203170000	National Bank	19,040	19,040
Musengo Primary School	102410062060000	National Bank	52,534	38,916
Ngongu Primary School	102221641040000	National Bank	-	-
Ernivia Primary School	102410062060000	National Bank	-	3
Kilimu Primary School	102412869260000	National Bank	1,031	1,031
Mbavae Primary School	102221601480000	National Bank	-	-
St. Francis of Assis Kathivo sec sch	102105338530000	National Bank	696	696

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
St. Michael Kavumbu Sec. Sch	102512304810000	National Bank	164,512	262,512
Mutulu Primary School	102411780740000	National Bank	231	1,231
Kikanga Primay School	102412866460000	National Bank	824	824
ACC mutonguni office	72028100638600	Equity Bank	-	30,031
AIC Kitunduni sec. sch.	72028063198800	EQUITY BANK	15,120	700,720
AIC Kiuwani Primary School	72027229870600	EQUITY BANK	148,517	1,043,985
AIC Kivani primary school	72028021234900	EQUITY BANK	34,272	34,272
AIC Kyaani Girls sec. School	72028223648100	EQUITY BANK	44,800	1,000,000
Emivia Primary School	72028021064300	EQUITY BANK	6,564	1,020,269
Arch. Lele Mangelu sec. sch	72028118903500	EQUITY BANK	7,920	427,847
Emivia Sec School	72026168942700	EQUITY BANK	17,402	3,457
Iiani Mixed sec. Sch	72026192484800	EQUITY BANK	4,068	4,068
Ilako Mututa Sec. School	72026906735400	EQUITY BANK	117	117
Ithekehe R/sand Dam	72028237687400	EQUITY BANK	2,214	108,931
Ivulya Muu Primary School	72026388035100	EQUITY BANK	97,230	79,842
Kakeani Chiefs Office	72027169928800	EQUITY BANK	181	181
Kakumuti ass. Chiefs office	72028105087500	EQUITY BANK	5,601	105,156
Kakumuti Primary School	72027981577900	EQUITY BANK	33,297	105,156
Kalia Assistant chiefs office	72026435478600	EQUITY BANK	4,505	4,505
Kalimani Primary School	72027177143600	EQUITY BANK	96,758	1,002,650

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kalimani Sec. School	72027978849900	EQUITY BANK	25,695	1,533,195
Kalimbevo Ass. Chiefs office	72027780744900	EQUITY BANK	32,188	203,512
Kalimbevo Pri. Sch.	72027886080100	EQUITY BANK	43,090	128,408
Kalinditi Pri. Sch.	72028049013700	EQUITY BANK	5,892	5,892
Kangii Ass. Chiefs office	72027970623400	EQUITY BANK	1,918	1,918
Kangii Primary School	72027149592400	EQUITY BANK	616	96
Kangii sec. Sch	72026170667100	EQUITY BANK	3,345	616,169
Kangondi Ass. Chiefs office	72027977174800	EQUITY BANK	1,249	1,249
Kangondi chiefs office	72028103174600	EQUITY BANK	120,075	650,000
Kangondi Pri. Sch.	72027990826100	EQUITY BANK	2,881	2,881
Kangungi Primary School	72026657710300	EQUITY BANK	259,252	1,002,252
Kasue Sec. School	72027910555100	EQUITY BANK	63,654	130,198
Katheka Ass. Chiefs office	72027968910200	EQUITY BANK	29,035	29,035
katheuni pri Sch.	72026361688600	EQUITY BANK	91	91
Kathiani Primary School	72026659415900	EQUITY BANK	31,033	142,366
Kathivo Accs Office	72028221704500	EQUITY BANK	55,000	600,000
Kathivo ass. Chief	72028115493700	EQUITY BANK	390	390
Kathivo Police Station	72026669672100	EQUITY BANK	380	380
Kauma Sec. School	72027965027000	EQUITY BANK	24,930	44,469
Kauwi Primary School	72027970621200	EQUITY BANK	203	700,194

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kavonge pri. Sch.	72027894353500	EQUITY BANK	44,103	44,103
Kiamani Primary School	72026662128200	EQUITY BANK	13,869	42,400
Kiamani Sec. School	72028004830400	EQUITY BANK	28,130	133,539
Kiatine Primary School	72027979174300	EQUITY BANK	21,046	34,323
Kiseveni Ass.Chiefs office	72027770172300	EQUITY BANK	12,540	12,540
Kiseveni pri. Sch.	72026361886300	EQUITY BANK	34,343	96,203
Kithuiani Ass. Chief	72027781375000	EQUITY BANK	3,148	1,794
Kithumula Chiefs office	72027970853200	EQUITY BANK	162,492	162,491
Kithumula Primary School	72027146849000	EQUITY BANK	1,839	166,271
kithumula Sec. School	72026223800900	EQUITY BANK	121,609	121,608
Kithunzi Primary	72028095283200	EQUITY BANK	4,665	3,475
Kitui west sports project	72026478932400	EQUITY BANK	1,637	1,637
Kitumbi Primary	72027743563700	EQUITY BANK	1,408	21,588
Kitundumo Pri. Sch.	72028075254700	EQUITY BANK	730	67,120
Kitunduni Primary School	72028063198800	EQUITY BANK	15,120	700,720
Kiukuni Primary School	72026658010100	EQUITY BANK	3,901	448,345
kiumoni Pri. Sch.	72027894263300	EQUITY BANK	1,195,366	141,950
Kivani Chiefs Office	72028228619100	EQUITY BANK	2,943	1,250,000
Kivani Mixed Sec. Sch.	72026171241600	EQUITY BANK	2,031	67,531
Kivulu Primary sch.	72026844223300	EQUITY BANK	37,640	111,220

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Kombu Primary School	72026669672100	EQUITY BANK	380	380
Kwa Mulungu Primary School	72027971471100	EQUITY BANK	30,831	30,831
Kwa mumo Primary School	72026656435100	EQUITY BANK	3,250	5,385
Kwa Mutonga Assistant Chiefs Office	72028228015100	EQUITY BANK	3,250	1,250,000
Kwa Mutonga chiefs office	72027981823700	EQUITY BANK	1,144	1,144
Kwa Mwambi Mixed Day Sec. Sch	72026173363900	EQUITY BANK	4,798	4,798
Kwa Ndila Primary School	72027147135800	EQUITY BANK	21,731	34,525
Kwa ndonga Primary School	72027962088400	EQUITY BANK	41	-
Kwa-Kitisya Primary School	72027362384900	EQUITY BANK	97,004	1,404,031
Kwa-kyenza Bus Shade	72028094115500	EQUITY BANK	42,135	42,135
Kwa-mumo Assistant Chief	72027168294200	EQUITY BANK	60	60
Kwa-Musyimi Pri. Sch	72027900658400	EQUITY BANK	506,075	64,503
Kwa-Nyingi Primary sch.	72027147527500	EQUITY BANK	30,757	97,267
Kyambevo Primary School	72026713493000	EQUITY BANK	67,080	809,992
Kyambusya Pri. Sch.	72027148668800	EQUITY BANK	385,741	385,741
Kyamutimba Pri sch	72027148703900	EQUITY BANK	28,453	123,383
kyeng'e Chiefs office	72028103628400	EQUITY BANK	14,990	178,457
Kyenge Primary	72027006059100	EQUITY BANK	32,521	800,020
Kyeni Mixed sec. School	72027887358800	EQUITY BANK	3,663	142,729
Kyeni Primary	72026360594700	EQUITY BANK	37,688	164,344

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kyondoni Assistant Chiefs Office	72028225786200	EQUITY BANK	57,581	600,000
kyuasi Ass. Chiefs office	72028125643500	EQUITY BANK	1,350	176,149
Kyunduani Primary School	72028025741100	EQUITY BANK	18,675	18,675
Maaini Primary School	72026685010700	EQUITY BANK	24,115	24,115
Makolo ass. Chief	72028103000900	EQUITY BANK	1,080	166,181
Manzi Itumo Sec. School	72027754343200	EQUITY BANK	187	15,108
Maseki Assistant Chief	72028214952500	EQUITY BANK	-	1,000
Maseki Primary School	72027967564500	EQUITY BANK	41,112	41,112
Maselele Assistant Chiefs Office	72028256365700	EQUITY BANK	1,640	1,250,000
Maselele Pri. Sch	72027222341300	EQUITY BANK	1,565	18,365
Mateta Primary School	72026665575700	EQUITY BANK	506	22,066
Matinga pri. Sch.	72028217610700	EQUITY BANK	8,115	102,996
Matinyani Chiefs Office	72028264484000	EQUITY BANK	860	800,000
Matinyani DCCs Office	72028219536600	EQUITY BANK	1,230	34,607
Matinyani DEB Primary Sch.	72028232277200	EQUITY BANK	4,430	212,715
Matinyani Mixed sec. Sch	72028102125500	EQUITY BANK	4,550	4,550
Matinyani Police headquarters	72027161124500	EQUITY BANK	337	47,697
Matinyani SCDE Office	72028217587300	EQUITY BANK	29,500	300,000
Matinyani TSC office	72028208078900	EQUITY BANK	500	500
Mbuini Primary School	72026668097500	EQUITY BANK	93,355	124,524

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Mikuyu Mikya Primary	72026714894800	EQUITY BANK	549,306	1,061,974
Mikuyu Mikya Sec. School	72026190738300	EQUITY BANK	268,599	1,207,299
Mithiikwani ass. Chief	72028103152400	EQUITY BANK	12,480	12,480
mithiikwani Primary Sch	72027798281400	EQUITY BANK	25,785	25,784
Mithini Chiefs office	72028109357700	EQUITY BANK	30,852	172,989
Miwongoni Assistant Chiefs Office	72026686409700	EQUITY BANK	11,217	500,000
Musengo Chiefs office	72028103535300	EQUITY BANK	33,109	33,109
Musosya Assistant Chief	72027966526900	EQUITY BANK	8,568	407,968
Mutanda Chiefs Office	72028220586500	EQUITY BANK	676	1,250,000
Mutanda Primary School	72027888580500	EQUITY BANK	576	1,000,030
Mutanda Sec. School	72027925384300	EQUITY BANK	7,081	109,083
Muthale Mixed Sec School	72028275820200	EQUITY BANK	1,308	488
Muthamo Sec. School	72027778352000	EQUITY BANK	392	69,029
Muthi Primary School	72026223517900	EQUITY BANK	1,943	1,943
Mutonguni chiefs Office	72027851349500	EQUITY BANK	20,706	566,742
Mutonguni Primary School	72027965235900	EQUITY BANK	508	508
Mutulu Ap Line	72027783615500	EQUITY BANK	117,765	716,985
Mutulu Chiefs office	72028107145300	EQUITY BANK	18,369	136,922
Mutulu Sec. School	72027771616300	EQUITY BANK	5,700	5,700
Mwaani DEB Primary School	72027273486900	EQUITY BANK	3,347	3,347

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Mwainya/Kakuswi R/sand dam	72028237123500	EQUITY BANK	1,131	141,621
Mwangya Primary School	72026683873200	EQUITY BANK	9,345	9,345
Ndalani pri. Sch.	72028123205100	EQUITY BANK	54,806	159,546
Ndiuni Primary sch.	72027146131200	EQUITY BANK	22,519	22,519
Ndolo's police Station	72027894470600	EQUITY BANK	435,176	2,692,749
Ngesu Primary	72027980518000	EQUITY BANK	28,691	171,348
Ngomango Primary School	72027894430600	EQUITY BANK	3,852	3,852
Ngongu Primary School	72028212750900	EQUITY BANK	1,050	164,267
Nguuni Primary School	72026657290600	EQUITY BANK	404	404
Nyuani Primary School	72026656516200	EQUITY BANK	9,795	66,255
Nzakame Sec. School	72027962861700	EQUITY BANK	20,364	20,364
nzala Ass. Chiefs office	72028108915300	EQUITY BANK	118,405	164,552
Nzemeli Primary Sch.	72026657806600	EQUITY BANK	257,685	1,004,198
Nzinia Ass. Chiefs office	72027147609900	EQUITY BANK	8,932	8,932
Nzinia Primary School	72027145887900	EQUITY BANK	90	90
Sangala Assistant Chiefs Office	72028105136500	EQUITY BANK	48,018	-
St. Augustine Kasakini sec sch	72027980468600	EQUITY BANK	383	383
St. Benedicts Kwa-Mutonga Sec. School	72027783931700	EQUITY BANK	44,884	44,884
St. Marks Makutano Pri. Sch	72026678551900	EQUITY BANK	27,311	94,131
St. Peters Ngengekani Sec. Sch.	72027150772200	EQUITY BANK	23,254	23,254

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Syokithumbi Ass. Chief	72028100663800	EQUITY BANK	1,354	1,354
Syokithumbi Primary School	72027298661000	EQUITY BANK	1,972	699,922
syomuitu Primary	72026670018300	EQUITY BANK	2,520	1,470
Tulia Police Station	72028109575300	EQUITY BANK	142,781	282,058
Tulia school for the Mentally Hand.	72027870675000	EQUITY BANK	607,208	149,763
Utoo Primary School	72027125967300	EQUITY BANK	2,009,464	9,464
Uvaani Pri. Sch.	72027966176000	EQUITY BANK	1,697	47,487
Yalatani Sec. School	72026198095600	EQUITY BANK	13,309	110,415
Total			11,984,576	44,059,483

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/LER/NGCDF/KT WEST/2021/2022/(28)	Bank charges amounting to ksh33,310 and as disclosed in note 5 to the financial statements relating to use of goods and services were not included as reconciling items	The management is ensuring all the unrepresented cheques and other reconciling items amounting to Ksh14,902,858 are presented for clearance before the expiry of cheques	Not Resolved.	31/12/2023
OAG/LER/NGCDF/KT WEST/2021/2022/(28)	Unresolved prior year's audit issues: the audit report for previous year raised several audit issues in regard to the report on financial statements, report on lawfulness and effectiveness in use of public resources and internal controls	The management is consulting all the stakeholders including the treasury office at the subcounty to clear all unresolved prior years audit issues	Not yet resolved	31/12/2023
OAG/LER/NGCDF/KT WEST/2021/2022(28)	Unsatisfactory project implementation: The statement of receipts and payments and as disclosed in note 6 of the financial statements reflects transfers to other government units amount of ksh90,250,000. However, a physical verification of projects revealed some anomalies for projects worthy ksh5000,000	On Unsatisfactory project implementation, For Kathivo and Matinyani police stations, the management is engaging all the stakeholders and technical departments to have the works completed as the approved codelist and in timely manner to benefit the intended community.	Not yet resolved	31/12/2023
OAG/LER/NGCDF/KT WEST/2021/2022(28)	Irregular Procurement Process for Works. The statement of receipts and payments and as disclosed in Note 6 to the financial statements showed total transfers to the Government entities of Kshs.90,250,000. Included in the amount is Kshs. 52,050,000 and Kshs. 38,200,000 in respect to transfers to primary and secondary schools respectively. Scrutiny of the project files	The reason as to why there was no professional opinions in the PMCS procurement documents is because there is no Supply Chain Management Officer in Kitui West Sub -County. However many a times we engage the one based at the County Headquarters but he is usually unavailable to issue professional opinions to the PMCS.	Not resolved	31/12/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	revealed that there were no professional opinions supporting the successful contracts or bids contrary to Section 84(1) of the Procurement and Asset Disposal Act, 2015(Revised Edition 2022) which states that the the Head of Procurement function of a procuring entity shall tender evaluation report and provide a signed professional opinion to the Accounting Officer on the procurement or asset disposal proceedings.			
OAG/LER/NGCDF/KT WEST/2021/2022(28)	The statement of assets and liabilities as disclosed in Note 17.4 to the financial statements reflects Project Management Committee account balances amounting to kshs. 44,059,483. However , analysis of the transactions revealed that there were balances amounting to kshs 1,217,445 that had remained idle since the financial year 2020/2021 in the various PMC bank accounts contrary to section 12(8)of the National Government Constituencies Development Fund Act, 2015 which requires that all unutilised funds of the Project Management Committees be returned to the constituency account.	The Fund Account Manager usually advices all the PMCS whose projects are complete and have unutilized funds in their accounts to refund the amount to the main NG-CDFC bank Account fund and close their bank accounts immediately.	Not resolved	31/12/2023



Name: SAMUEL MUTISYA B.
Fund Account Manager.

