

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS Laid

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**REPORT**

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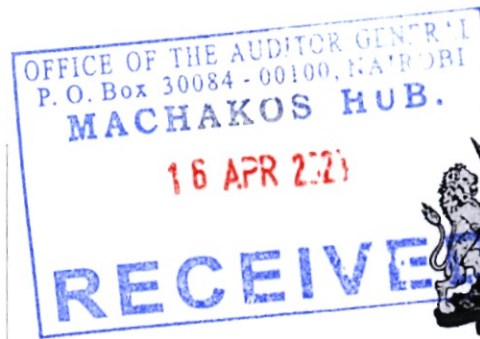
**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – KITUI SOUTH  
CONSTITUENCY**

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



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**KITUI SOUTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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

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

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<b>Table of Content</b>	<b>Page</b>
I. Acronyms and Abbreviations .....	iii
II. Key Constituency Information and Management.....	iv
III. NG-CDFC Chairman’s Report.....	viii
IV. Statement of Performance Against Predetermined Objectives for FY2022-2023.....	vi
V. Statement of Governance .....	ix
VI. Environmental and Sustainability Reporting.....	xv
VII. Statement of Management Responsibilities.....	xix
VIII. Report of the Independent Auditors On The NGCDF- Kitui South Constituency .....	xxi
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023 .....	1
X. Statement of Assets and Liabilities As At 30th June, 2023 .....	2
XI. Statement of Cash Flows for the Year Ended 30th June 2023 .....	3
XII. Summary Statement of Appropriation for The Year Ended 30th June 2023 .....	4
XIII. Budget Execution by Sectors And Projects For The Year Ended 30th June 2023 .....	6
XIV. Significant Accounting Policies.....	14
XV. Notes To the Financial Statements .....	20
XVI. Annexes.....	30

*Kitui South Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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

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**I. Acronyms and Abbreviations**

The following are acronyms and abbreviations:

NG-CDF	National Government Constituency Development Fund
PFM	Public Finance Management
IPSAS	International Public Sector Accounting Standards.
PMC	Project Management Committee
FY	Financial Year
NGCDFB	National Government Constituency Development Fund Board
NGCDFC	National Government Constituency Development Fund Committee
ARMC	Audit and Risk Management Committee
FAM	Fund Account Manager

## **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;

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

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- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

To provide leadership and policy direction for effective and efficient management of the Fund

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

**Functions of NG-CDF Committee**

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

**(b) Key Management**

The Kitui South NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

### **Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Dennis Matundura
2.	Sub-County Accountant	Nicholas Wambua
3.	Chairman NGCDFC	Florence M Martin
4.	Member NG-CDFC	Stephen M. Muliki

### **(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kitui South Constituency NG-CDF. 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 South Constituency NGCDF Headquarters**

P.O. Box 155-90201  
NG-CDF Building  
Opposite Mutomo DCC Office  
Mutomo Mutha Road  
Mutomo, KENYA

### **(e) Kitui South Constituency NGCDF Contacts**

Telephone: (254) 722811542  
E-mail: [cdfkituisouth@ngcdf.go.ke](mailto:cdfkituisouth@ngcdf.go.ke)  
Website: [www.ng-cdf.go.ke](http://www.ng-cdf.go.ke)

### **(f) Kitui South Constituency NGCDF Bankers**

Equity Bank Ltd  
Mutomo Branch  
P.O Box 155-90201  
Mutomo, Kenya



**(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



**Florence Martin, Chairperson**  
**Kitui south Constituency NG-CDF**

Kitui South Constituency is one of the eight constituencies of Kitui County. The Constituency has two sub counties i.e Mutomo and Ikutha. There are six wards in the constituency namely Ikutha, Mutomo, Athi, Kanziko, Ikanga-Kyatune and Mutha. The Constituency's population stands at 196,320 according to Kenya Population and Housing Census 2019. The constituency covers 6,133.70 square kilometres.

#### Constituency Allocation & Current Year Budget

Kitui South NG-CDF over the last three years is as follows:

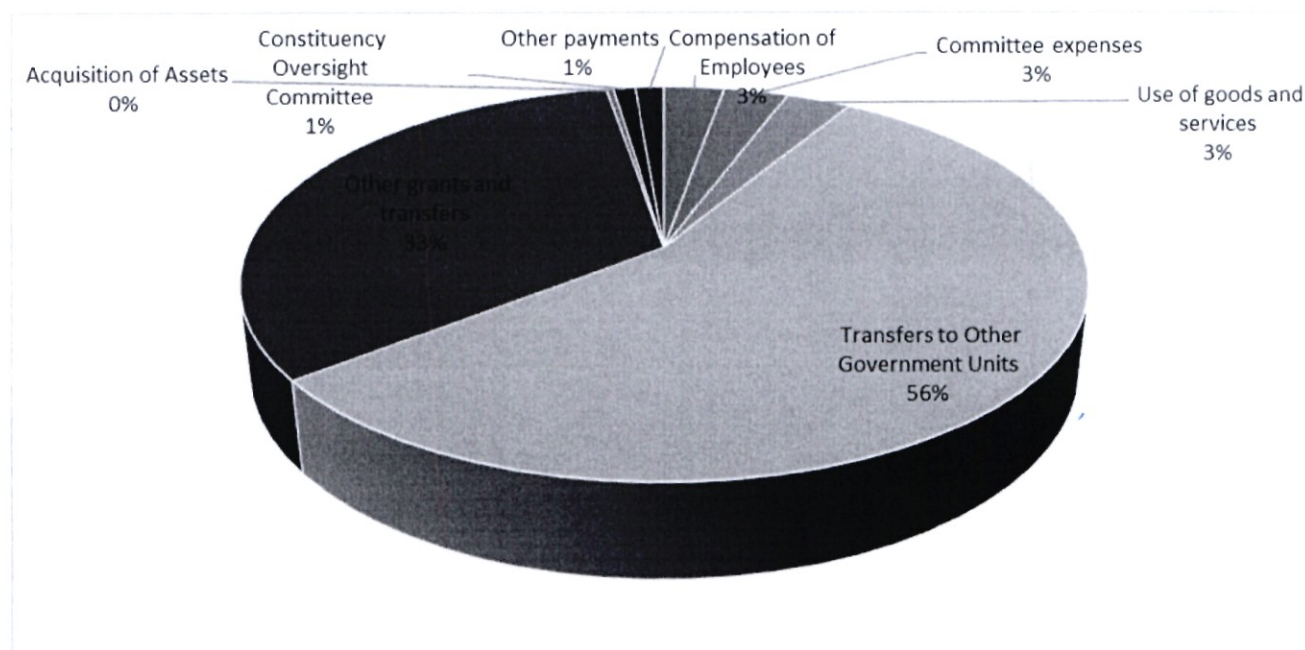
Financial year	2022/2023	2021/2022	2020/2021
Allocation	151,960,174	137,088,879	137,195,879

#### Original Budget

The budget for the current financial year stood at Kshs. 151,960,174. The budget was itemized as follows:

Item	Budget
Compensation of Employees	4,209,176
Committee expenses	4,450,000
Use of goods and services	4,456,005
Transfers to Other Government Units	84,900,000
Other grants and transfers	49,925,393
Acquisition of Assets	500,000
Constituency Oversight Committee	1,519,600
Other payments	2,000,000
<b>TOTAL</b>	<b>151,960,174</b>

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



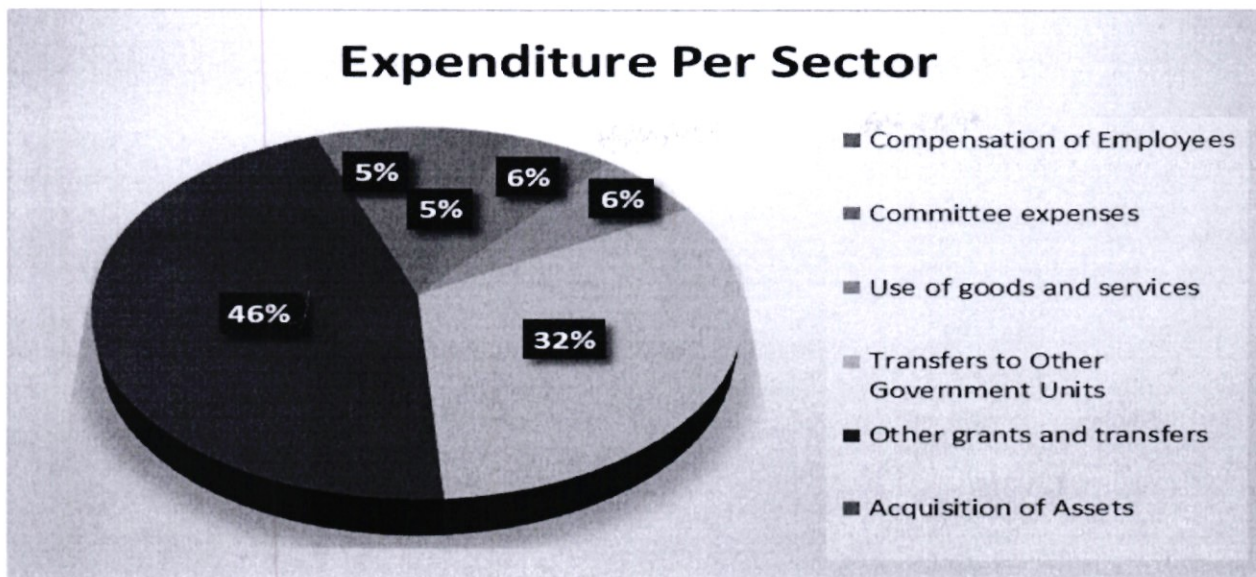
As depicted from the appropriation Statement, the original budget was adjusted upwards with opening balances from the previous year. This pushed the final budget to 165,741,275 of which Kshs. 61,960,174 was not received from the NG-CDF Board as at the close of the financial year.

	Original Budget	Opening Balance (C/Bk) and AIA	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
Transfers from NG-CDF Board	151,960,174	13,704,101	165,664,275	103,704,101	61,960,174	62.6%
Other Receipts	77,000		77,000	77,000	-	100%
Total Receipts	152,037,174	13,704,101	165,741,275	103,781,101	61,960,174	62.6%
Total Payments	152,037,174	13,704,101	165,741,275	67,613,761	98,127,514	40.8%

**Funds Utilization by Sector**

The Constituency was able to absorb Kshs. 67, 613,761 which represents 40.8% of the budget. The main component in other grants and transfer which utilized the highest (46%) are Bursary, Security and emergency projects. Primary, Secondary and Tertiary institutions which are the main components in transfer to Government units that utilised 32%.

Others, are use of goods and services that utilized 6%, committee expenses 5% while compensation of employees and acquisition utilised 5%. The detailed report is found on budget execution section.



#### Key achievements during the year

The Constituency, during the year, implemented a few projects majorly because of slow cash flow from the NG-CDF Board. The projects included issuance of bursary which formed bulky of the implementation, emergency and security. Some of the projects were carried out during the year are:

##### 1. Kakithya Primary School

The project was allocated Kshs. 2,000,000 for renovation. Activities that were carried out were reroofing, construction of ring beam, fixing shutters and doors and painting:



## **2. Kenze Primary School**

The project was allocated Kshs. 2,000,000 for renovation. Activities that were carried out were reroofing, construction of ring beam, fixing shutters and doors and painting:



### **Emerging issues and challenges**

One of the major challenge is that the Constituency is vast and some of the roads are impassable especially when it rains. This makes monitoring of projects a difficulty exercise in some of the areas. The NG-CDF management is seeking partnership with other government entities responsible for establishment of access roads so that they help make all places accessible. Additionally Kitui south NG-CDF has ordered for office motor vehicle Toyota Land cruiser which shall help out during monitoring of projects.

Finally, Kitui South management expresses gratitude towards the NG-CDF Board for their efficiency in handling issues in regards to projects approval, disbursement of fund and monitoring.

The other special thanks also go to the Office of the Auditor General for their every year input, especially advisory in our processes that have continuously improved our service delivery to the constituents.

*F.Martin*

.....  
**Florence Martin**

**CHAIRMAN NGCDF COMMITTEE**

#### **IV. Statement of Performance Against Predetermined Objectives for FY2022-2023**

##### **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 South Constituency 2023-2028* plan are to:

- a) To improve school performance in national examinations as well as retention and transitioning to higher levels of learning:
  - Through adequate equipping of schools with relevant resources and facilities such as classrooms, dormitories, laboratories etc.
  - Through adequate bursary support to students both for O level and tertiary institutions by an established criteria.
- b) To improve supply of adequate, potable and safe water for domestic and public use in institutions as well as irrigation and livestock consumption:
  - This is through construction of boreholes in public institutions such as schools and Security Offices.
  - Encouraging water harvesting through construction of water tanks or supply of plastic water tanks to public institutions as well as providing for water harvesting during constructions.
- c) To increase participation of youth, women and persons with disabilities in NG-CDF activities as well as general development in the constituency:
  - This will be achieved through educating them and sensitising them on available opportunities with NG-CDF
  - Through carrying out Constituency tournaments
  - Through operationalizing of ICT hub to help the youth, women and people with disabilities access online opportunities
- d) To improve infrastructure (especially roads and electricity) connectivity to public institutions:
  - This will be done through partnering with Rural Electrification Authority (REA) and establishment of access roads to the institutions.
- e) To build capacity of the community to implement development projects
  - This will be achieved through provision of sufficient annual budget for training project implementers as well as benchmarking with other Constituencies.
- f) To improve security situation in the Constituency:
  - Construction of additional police posts together with their necessary equipment, residential facilities.

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve school performance in national examinations as well as retention and transitioning to higher levels of learning	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li>   <li>- Number of bursary beneficiaries at all levels</li> </ul>	<p>In FY 22/23 -we increased number of classrooms from 449 to 452. Primary school classrooms increased by 3 while there was no increase in secondary school classrooms</p> <p>Dormitories remained 36</p> <p>laboratories remained 23</p> <p>Administration blocks remained 43</p> <p>- Bursary beneficiaries during the year totalled 2,902 in secondary schools while tertiary institutions totalled 741</p>
Environment	To improve supply of adequate, potable and safe water for domestic and public use in institutions as well as irrigation and livestock	Increased number of sand dams Increased water harvesting activities in public institutions	Number of facilities with water harvesting equipment	Number of facilities with gutters and tanks increased from 39 to 44



**Kitui South Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

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	consumption			
Youth, Women & people with disabilities empowerment	To increase participation of youth, women and persons with disabilities in NG-CDF activities as well as general development in the constituency	Increased number of youth, women & people with disabilities empowerment activities	Number of tenders awarded to the special categories	No. of tenders awarded was 4 out of 13
Capacity Building	To build capacity of the community to implement development projects	Increased community sensitization and training	No of sensitization and trainings	One PMC training were carried out
Security	Improving security situation in the Constituency	Improved Security especially in bandit prone areas of Mutha ward	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of assistant chiefs' offices remained 14 Number of Chiefs Office remained 11 Number of police lines increased from 10 to 12
Emergency	To address unforeseen occurrences in the constituency	Improved address of emergency occurrences in the constituency	Number of emergency cases addressed	3 primary schools received emergency funding to help combat emergency situations

## **V. Statement of Governance**

### **1. Appointment NG-CDF Committee members**

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.

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

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(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.

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

The current members were vetted into office in the month of November 2022. The selection panel comprised:

- |                        |  |
|------------------------|--|
| 1. Antony K Maina      | Ass. County Commissioner (Chairperson) |
| 2. Dennis Matundura    | FAM (Secretary)                        |
| 3. Olivia M Mulatya    | Member                                 |
| 4. Rev. Joseph M Nzuki | Member                                 |

The criteria that was used in the advertisement was as follows:

1. Applicants must be Kenyan citizens
2. Be residents voters in Kitui South Constituency
3. Applicants must be able to read and write, be able to communicate in English and Kiswahili.
4. Applicants must meet the requirement of chapter six of the Constitution
5. Applicants should be available to participate in the activities of the committee
6. For youth nominee, must have attained the age of 18 years and below the age of 35 years.

The Selection panel had three meetings which resulted into submission of proposed committee members to NG-CDF Board for approval by the National assembly. The appointed committee members were gazzetted through Gazette volume number 254 29-11-2022 on 29<sup>th</sup> November 2022. The committee had its first meeting on 14<sup>th</sup> December 2022.

The following are the current members of Kitui South NG-CDF:

No.	Name	Category	Ward
1	Jonathan mawioo Muthangya	Man(Youth)	Mutha
2	Kenneth Musee Kitonyo	Man(Adult)	Kanziko
3	Eunice Kaseve Kasuma	Woman(Youth)	Athi
4	Flowrence Mbesa Martin	Woman(Adult)	Ikanga/Kyatune

5	Christopher Mwanja Ngumbi	Representative of persons with Disability	Mutomo
6	Evelyn Syombua Mutua	Nominee of the Constituency Office (Female)	Ikutha
7	Peter Mwangangi Mbiti	Nominee of Constituency Office (Male)	Ikanga/Kyatune
8	Mary Nzembi Mulwa	Co-opted by the NG-CDF Board	Mutomo
9	Onesmus Ileri Nyumero	Deputy County Commissioner	Mutomo Subcounty
10	George Juma Onesmus	Officer of NG-CDF Board	

## **2. Removal of NG-CDF Member**

A member may be removed from the NG-CDFC on grounds laid down on section 43 (13) of NG-CDF act 2015, amended 2022 that include:

- (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

At least five members can make a written resolution citing the ground for removal then accords that member a fair hearing before submitting their resolution to the NG-CDF Board. There is no member in Kitui south NG-CDF who has been removed from the committee on the above grounds.

## **3. Functions of the NG-CDFC**

The functions of the NG-CDFC are drawn from NG-CDF act 2015, amended 2022 and they include the following:

- a) Build capacity of PMCs and sensitize community on the operations of the Fund;
- b) Consider projects from all wards and any other projects that the committee considers beneficial;
- c) Ensure that projects proposals submitted to the Board include detailed budget proposals, procurement plans and work plans
- d) Consult relevant Government department to ensure that projects cost estimates are realistic;
- e) Rank projects proposals in order of priority while ensuring that ongoing projects take precedence;
- f) Ensure that projects receive adequate funding and are completed within three years;
- g) Monitor the implementation of projects;

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

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- h) Ensure that projects report are prepared and submitted to the Board;
- i) Ensure formation of PMCs, opening of projects accounts, project implementation and closure of projects;
- j) Submit financial statements to the Board within sixty days of end of financial year;
- k) Recommend to the Board removal of a committee member;
- l) Enter into performance contract with the Board annually;
- m) Receive returns from PMCs;
- n) Receive and address all complaints concerning implementation of projects;
- o) Ensure that the Committee does not enter into commitments for which funds have not been allocated

**4. NG-CDFC meetings**

Section 43(11): 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. NG-CDFC holds monthly meetings, deliberating all issues for the FAM to act on. Equally the subcommittees are active handling issues as mandated by the main committee.

During the financial year 2022/2023 the NG-CDFC Kitui South held 7 main meetings and 3 subcommittee meetings as illustrated below;

S.N	NG-CDFC COMMITTEE MEMBERS	14/12 /2022	15/12 /2022	12/01 /2023	02/02 /2023	27/02/ 2023	13/04/ 2023	05/06/ 2023
1	Florence Martin Chairperson	✓	✓	✓	✓	✓	✓	✓
2	Kenneth Kitonyo <b>Secretary</b>	✓	✓	✓	✓	✓	✓	✓
3	Jonathan Muthangya <b>Member</b>	✓	✓	✓	✓	✓	✓	✓
4	Mary Mulwa <b>Member</b>	✓	✓	✓	✓	✓	✓	✓
5	Christopher Ngumbi <b>Member</b>	✓	✓	✓	✓	✓	✓	✓
6	Peter Mwangangi <b>Member</b>	✓	✓	✓	✓	✓	✓	✓
7	Eunice Kasuma <b>Member</b>	✓	✓	✓	✓	✓	✓	✓
8	Evelyn Mutua <b>Member</b>	✓	✓	✓	✓	✓	✓	✓

9	Dennis Matundura FAM	✓	✓	✓	✓	✓	✓	✓
10	Onesmus Nyumero DCC	✓	✓	x	✓	x	✓	✓

### **5. Capacity building of NG-CDFC Members**

In the financial year 2022/2023 the NGCDF Board organized training of NG-CDFC members.. 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 South.

### **6. 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.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

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

### **7. Members' remuneration**

NG-CDFC members are not entitled to payment of salary but sitting allowances as guided by the NG-CDF circulars. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh.5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NG-CDF Act.

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

### **8. 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 South contravened conflict of interest policy.

#### **9. 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 the delivery of service.

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

### **1. Sustainability strategy and profile -**

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

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



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

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

## **2. Environmental performance**

- Kitui South Constituency is situated in arid areas and therefore the NG-CDFC do not consider tree planting because of lack of sustainability in terms of seasonal rains.
- The Kitui South NG-CDF planned but did not implement a sand dam within the financial year which was to help in conservation of environment through retention of sand and making available water for agricultural use. This was due to delay in disbursement of the final tranche of the funds. The same shall be implemented next financial year.

## **3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kitui South Constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

#### **4. Market place practices-**

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

#### **Public Participation in Project Identification and Implementation and Monitoring**

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


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

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

**Public Awareness**

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



.....  
**George Juma**  
**Fund Account Manager.**

## **VII. Statement of Management Responsibilities**

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

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

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

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

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

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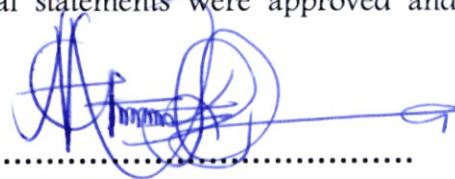
Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Kitui South Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2023.



.....  
**Name: Florence Martin**  
**Chairman – NGCDF Committee**



.....  
**Name: George Juma**  
**Fund Account Manager**

**VIII. Report of the Independent Auditors On The NGCDF- Kitui South Constituency**

**Kitui South Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**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**


<b>RECEIPTS</b>			
Transfers from NGCDF Board	<b>1</b>	90,000,000	187,377,758
Proceeds from Sale of Assets	<b>2</b>	-	-
Other Receipts	<b>3</b>	77,000	-
<b>TOTAL RECEIPTS</b>		<b>90,077,000</b>	<b>187,377,758</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>4</b>	3,388,741	4,195,067
Committee expenses	<b>5</b>	3,973,000	6,026,150
Use of goods and services	<b>6</b>	4,048,530	3,038,200
Transfers to Other Government Units	<b>7</b>	21,600,000	132,400,000
Other grants and transfers	<b>8</b>	30,848,501	47,124,307
Acquisition of Assets	<b>9</b>	3,755,000	-
Oversight committee expenses	<b>10</b>	-	-
Other Payments	<b>11</b>	-	-
<b>TOTAL PAYMENTS</b>		<b>67,613,772</b>	<b>192,783,724</b>
<b>SURPLUS/DEFICIT</b>		<b>22,463,229</b>	<b>(5,405,966)</b>

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 \_\_\_\_\_ 2023 and signed by:

  
**Fund Account Manager**

  
**National Sub-County Accountant**

  
**Chairman NG-CDF Committee**

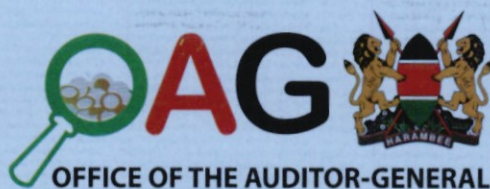
**Name: George Juma**

**Name: Nicholas Wambua**  
**ICPAK M/No:11736**

**Name: Florence Martin**

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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NAIROBI

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

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### **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 the National Government Constituencies Development Fund - Kitui South Constituency set out on pages 1 to 49, which comprise of the statement of financial 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.

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



I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.30,848,501 which as disclosed in Note 8 to the financial statements includes bursary to secondary schools totalling Kshs.17,802,842. Review of the cash book and bursary acknowledgement receipts revealed that disbursements to two (2) Secondary Schools amounting to Kshs.251,000 were not recorded in the ledger. In addition, the expenditure on bursary for secondary schools and tertiary institutions of Kshs.17,802,842 and Kshs.8,953,649 respectively were not supported with schedule of bursary beneficiaries, vetting reports, and acknowledgements from the beneficiary institutions.

In the circumstances, the accuracy and completeness of other grants and transfers amount of Kshs.26,756,491 in respect of bursaries could not be confirmed.

#### **2. Unsurrendered Project Management Committee Accounts Balances**

Note 19.4 to the financial statements reflects Project Management Committee (PMC) accounts balances totalling Kshs.11,110,013. However, review of the supporting Annex 5 revealed that PMC account balances amounting to Kshs.1,606,283 had remained idle for a long period with some dating back to the financial year 2013/2014. The amounts had not been returned to the Constituency fund account.

In the circumstances, the accuracy and completeness of PMC balance of Kshs.11,110,013 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 South Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual amount on comparable basis of Kshs.165,664,275 and 103,781,101 respectively, resulting to under-funding of Kshs.61,883,174 or 37% of the budget. However, the Fund spent Kshs.67,613,772 against the actual receipts of Kshs.103,781,101, resulting to under-utilization of Kshs.36,167,329 or 35% of the actual receipts.

The under-funding and under-utilization affected the planned activities and 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 Matter**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has however, not resolved the issues or provided explanation for failure to resolve the issues.

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. Anomalies in Project Implementation**

The statement of receipts and payments reflects transfers to other Government units of Kshs.21,600,000 which includes transfers to primary schools' amount of Kshs.19,600,000 as disclosed in Note 7 to the financial statements. However, review of the project records revealed the following anomalies:

- (i) Management transferred an amount of Kshs.2,000,000 to the PMC of Kenze Primary School for renovation of five (5) classrooms. The PMC on 09 June, 2023 entered into contract with a firm for the renovation of five classrooms at a contract sum of Kshs.1,900,000. The contractor was paid Kshs.1,715,241 for certified works. A site visit on 12 March, 2024 revealed that the renovation of the five classrooms was completed in August, 2023. However, two (2) out of the five renovated classrooms were not in use seven months after completion of the project.
- (ii) Management transferred an amount of Kshs.2,000,000 to the PMC of Vutu Primary School for renovation of five (5) classrooms. The PMC entered into contract for the renovation of five classrooms at a contract sum of Kshs.1,899,940. The contractor was paid Kshs.1,715,186 for certified works and retention of Kshs.94,997. A site visit on 12 March, 2024 revealed that the renovation of the five (5) classrooms was completed in December, 2023. However, the classrooms had visible cracks on the outer walls and poor workmanship of painting works. The contractor did not remedy the defects before settlement of the total contract sum.
- (iii) Review of expenditure supporting documents revealed that the Constituency Development Funds Committee (CDFC) actively participated procurement process including tender opening, evaluation and award of contracts contrary to Regulation 15(6) of National Government Constituencies Development Funds Regulations, 2016 which provides that a Constituency Committee shall not convert itself into a Project Management Committee.

In the circumstances, value for money on expenditure of transfer to other government units of Kshs.21,600,000 could not be confirmed.

## **2. Anomalies in Security Projects**

The statement of receipts and payments reflects expenditure on other grants and transfers of Kshs.30,848,501 as disclosed in Note 8 to the financial statements. Review of records revealed the following;

- (i) Management transferred an amount of Kshs.1,500,000 to the PMC of Enzou Police Post for construction of five (5) offices. The PMC entered into contract with a construction company for the construction of the five (5) offices at a sum of Kshs.1,235,000. A site visit on 12 March, 2024 revealed that the project was completed in August, 2022. However, the offices had not been occupied for more than one year since completion of the project.
- (ii) The statement of receipts and payments reflects other grants and transfers amount of Kshs.30,848,501 which includes emergency expenditure of Kshs.492,000 as disclosed in Note 8 to the financial statements. However, emergency expenditure reports to the Board were not provided for audit. This contravenes Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the Constituency Committee to ensures that the utilization of the emergency reserve is reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances the value for money for expenditure on other grants and other transfers of Kshs.1,727,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Failure to Appoint the Constituency Oversight Committee**

During the year under audit review, the Constituency Oversight Committee had not been appointed contrary to Section 53(1) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022), which provides that Constituency Oversight Committee for projects undertaken under the Act be established.

In the circumstances, the public did not get assurance on the effectiveness on the identification and implementation of fund's activities and programs.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

18 June, 2024

**Kitui South Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**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**


		2022-2023 Kshs.	2021-2022 Kshs.
<b>RECEIPTS</b>			
Transfers from NGCDF Board	<b>1</b>	90,000,000	187,377,758
Proceeds from Sale of Assets	<b>2</b>	-	-
Other Receipts	<b>3</b>	77,000	-
<b>TOTAL RECEIPTS</b>		<b>90,077,000</b>	<b>187,377,758</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>4</b>	3,388,741	4,195,067
Committee expenses	<b>5</b>	3,973,000	6,026,150
Use of goods and services	<b>6</b>	4,048,530	3,038,200
Transfers to Other Government Units	<b>7</b>	21,600,000	132,400,000
Other grants and transfers	<b>8</b>	30,848,501	47,124,307
Acquisition of Assets	<b>9</b>	3,755,000	-
Oversight committee expenses	<b>10</b>	-	-
Other Payments	<b>11</b>	-	-
<b>TOTAL PAYMENTS</b>		<b>67,613,772</b>	<b>192,783,724</b>
<b>SURPLUS/DEFICIT</b>		<b>22,463,229</b>	<b>(5,405,966)</b>

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 \_\_\_\_\_ 2023 and signed by:

  
**Fund Account Manager**

  
**National Sub-County Accountant**

  
**Chairman NG-CDF Committee**

**Name: George Juma**

**Name: Nicholas Wambua**  
**ICPAK M/No:11736**

**Name: Florence Martin**



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

	Original Budget (2022-2023)	Revised Budget (2022-2023)	Adjustments	Final Budget	Actual on Comparable Date	Budget Obligation	Percentage
Transfers from NG-CDF Board	151,960,174	13,704,101	-	165,664,275	103,704,101	61,960,174	63%
Proceeds from Sale of Assets	-	-	-	-	-	-	0%
Other Receipts	-	-	-	-	77,000	-77,000	0%
<b>TOTAL RECEIPTS</b>	<b>151,960,174</b>	<b>13,704,101</b>	<b>-</b>	<b>165,664,275</b>	<b>103,781,101</b>	<b>61,883,174</b>	<b>63%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,209,176	598,933	-	4,808,109	3,388,741	1,419,368	70%
Committee expenses	4,450,000	-	-	4,450,000	3,973,000	477,000	89%
Use of goods and services	4,456,005	539,594	-	4,995,599	4,048,530	947,070	81%
Transfers to Other Government Units	84,900,000	400,000	-	85,300,000	21,600,000	63,700,000	25%
Other grants and transfers	49,925,393	4,595,574	-	54,520,967	30,848,501	23,672,466	57%
Acquisition of Assets	500,000	7,570,000	-	8,070,000	3,755,000	4,315,000	47%
Constituency Oversight Committee	1,519,600	-	-	1,519,600	-	1,519,600	0%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	0%
AIA	-	-	-	-	-	77,000	0%
<b>TOTAL</b>	<b>151,960,174</b>	<b>13,704,101</b>	<b>-</b>	<b>165,664,275</b>	<b>67,613,772</b>	<b>98,127,504</b>	<b>41%</b>

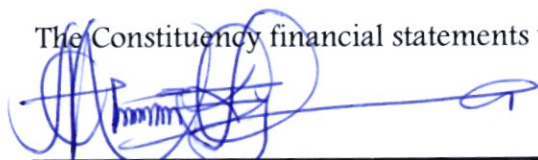
1. The actual receipt stood at 63% of the final budget, all projects had been fully approved but funding of Kshs. 61,960,174 had not been received from the NG-CDF Board as at the closure of the subject financial year.

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

2. Utilization of compensation of employees stood at 70% since some of the staff were employed midway the financial year under review.
3. Committee expenses utilization was 89% since the activities of the constituency started almost half way the year
4. Use of goods and services utilization was 81% since the activities of the constituency started almost half way the year
5. Transfer to other government entities utilization was at 25% since bulky of the funds meant for transfer had not been received from the NG-CDF Board.
6. Utilization on other grants and transfers was at 57% since the NG-CDF Board had not disbursed all the funds to the Constituency.
7. Acquisition of assets was at 47% since some of the money for purchase of motor vehicle had been paid

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilization difference totals	98,127,504
Less undisbursed funds receivable from the Board as at 30th June 2023	61,960,174
	<b>36,167,330</b>
Add Accounts payable	136,436
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2022/2023	<b>36,303,766</b>

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



**Fund Account Manager**

**Name: George Juma**



**National Sub-County Accountant**

**Name: Nicholas Wambua**  
**ICPAK M/No: 11736**



**Chairman NG-CDF Committee**

**Name: Florence Martin**

XIII. Budget Execution by Sectors and Projects For The Year Ended 30th June 2023

<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,209,176	598,933		4,808,109	3,388,741	1,419,368	70%
1.2 Committee allowances	2,810,000			2,810,000	2,415,000	395,000	86%
1.3 Use of goods and services	1,865,200	539,594		2,404,794	2,298,100	106,694	96%
<b>Total</b>	<b>8,884,376</b>	<b>1,138,527</b>	<b>-</b>	<b>10,022,903</b>	<b>8,101,841</b>	<b>1,921,062</b>	<b>81%</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,132,805			1,132,805	523,600	609,205	46%
2.2 Committee allowances	1,640,000			1,640,000	1,558,000	82,000	95%
2.3 Use of goods and services	1,458,000			1,458,000	1,226,830	231,171	84%
<b>Total</b>	<b>4,230,805</b>		<b>-</b>	<b>4,230,805</b>	<b>3,308,430</b>	<b>922,376</b>	<b>78%</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools		292,000		292,000	292,000	-	100%
3.2 Secondary schools		200,000		200,000	200,000	-	100%
3.3 Tertiary institutions				-		-	0%

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

Programme/Component	Budget (a)		Final Budget (a+b)		Actual on comparable basis (c)	Budget utilization difference (c-a)	Utilization (%)
	Original Budget (a)	Adjustments (b)	Final Budget (a+b)	Final Budget (a+b)			
	2022-2023	Opening Balance (C/ED) 2022-2023	Final Budget (a+b) 2022-2023	Final Budget (a+b) 2022-2023	2022-2023	2022-2023	2022-2023
3.4 Security projects			-	-		-	0%
3.5 Unutilised	7,636,190	722	-	7,636,912		7,636,912	0%
<b>Total</b>	<b>7,636,190</b>	<b>492,722</b>		<b>8,128,912</b>	<b>492,000</b>	<b>7,636,912</b>	<b>6%</b>
<b>4.0 Bursary and Social Security</b>				-			
4.1 Secondary Schools	29,039,203	102,852		29,142,055	17,802,852	11,339,203	61%
4.2 Tertiary Institutions	9,000,000			9,000,000	8,953,649	46,351	99%
4.3 Social Security				-		-	
4.4 Special Needs				-		-	
<b>Total</b>	<b>38,039,203</b>	<b>102,852</b>	<b>-</b>	<b>38,142,055</b>	<b>26,756,501</b>	<b>11,385,554</b>	<b>70%</b>
<b>5.0 Sports</b>				-		-	
5.1 Constituency Sports tournament	1,500,000		-	1,500,000		1,500,000	0%
5.2 Regional Sports Tournament	500,000			500,000		500,000	0%
<b>Total</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>	<b>0%</b>
<b>6.0 Environment</b>							
Kasundu Sand dam		1,000,000.00		1,000,000		1,000,000	0%
<b>Total</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>0%</b>

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

		Adjustment (b)	Final Budget (c = a+b)	Actual on comparable basis (d)	Budget utilization difference (e = d-c)	Implementation (f = e/c)
<b>7.0 Primary Schools Projects</b>						
Ekani Primary School	2,000,000		2,000,000		2,000,000	0%
Enzou Primary School	2,000,000		2,000,000		2,000,000	0%
Ikanga Primary School	2,000,000		2,000,000	2,000,000	-	100%
Ikilungulu Primary School	1,200,000		1,200,000		1,200,000	0%
Ilamba Primary School	2,000,000		2,000,000		2,000,000	0%
Imale Primary School	1,200,000		1,200,000		1,200,000	0%
Imathoka Primary School	1,200,000		1,200,000		1,200,000	0%
Ingo Primary School	1,200,000		1,200,000	1,200,000	-	100%
Itumba Primary Primary School	2,000,000		2,000,000		2,000,000	0%
Ivukuvuku Primary School	2,000,000		2,000,000		2,000,000	0%
Kaasula Primary School	1,200,000		1,200,000		1,200,000	0%
Kaatene Primary School	1,600,000		1,600,000		1,600,000	0%
Kaivisi Primary School	2,000,000		2,000,000	2,000,000	-	100%
Kakithya Primary School	2,000,000		2,000,000		2,000,000	0%
Kaliani Primary School	2,000,000		2,000,000		2,000,000	0%

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

	Original Budget (A)	Adjustments (B)	Final Budget (C)	Actual or comparable (D)	Budget utilization (E)	Utilization % (F)
Kaluluini Primary School	1,200,000		1,200,000		1,200,000	0%
Kandae Primary	2,000,000		2,000,000		2,000,000	0%
Kasaala Primary School	2,000,000		2,000,000		2,000,000	0%
Kasivuni Primary	2,000,000		2,000,000	2,000,000	-	100%
Kavete Primary School	2,000,000		2,000,000		2,000,000	0%
Kenze Primary School	2,000,000		2,000,000	2,000,000	-	100%
Kikwa Primary School	1,200,000		1,200,000		1,200,000	0%
Kithae Primary School	2,000,000		2,000,000		2,000,000	0%
Kivili Primary School	2,000,000		2,000,000	2,000,000	-	100%
Kwa-kimweli Primary School	2,000,000		2,000,000		2,000,000	0%
Kyatune Primary School	2,000,000		2,000,000	2,000,000	-	100%
Kyuluni Primary School	1,200,000		1,200,000		1,200,000	0%
Makosi Primary School	1,200,000		1,200,000		1,200,000	0%
Malili Primary School	2,000,000		2,000,000		2,000,000	0%
Maungu Primary School	2,000,000		2,000,000		2,000,000	0%
Memboo Primary School	1,300,000		1,300,000		1,300,000	0%

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

Mitalani Primary School	2,000,000			2,000,000		2,000,000	0%
Musenge Primary School	1,200,000			1,200,000		1,200,000	0%
Muteetu Primary School	2,000,000			2,000,000		2,000,000	0%
Muthue Primary School	2,000,000			2,000,000		2,000,000	0%
Mutonyaitho Primary School	2,000,000			2,000,000		2,000,000	0%
Mwaani Primary School	1,200,000			1,200,000		1,200,000	0%
Ndiini Primary School	1,200,000			1,200,000		1,200,000	0%
Ndili Primary School	1,200,000			1,200,000	1,200,000	-	100%
Ngangani Primary School	1,200,000			1,200,000		1,200,000	0%
Ngasani Primary School	1,200,000			1,200,000	1,200,000	-	100%
Ngawuni Primary School	1,200,000			1,200,000		1,200,000	0%
St. JosePhs kaindu Primary School	2,000,000			2,000,000		2,000,000	0%
Syomithumo Primary School	2,000,000			2,000,000		2,000,000	0%
Vutu Primary School	2,000,000			2,000,000	2,000,000	-	100%
Windundu Primary School	1,200,000			1,200,000		1,200,000	0%
Yanzati Primary School	1,200,000			1,200,000		1,200,000	0%

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

	Budget	Actual	Actual	Budget	Actual	Budget Utilization
	(KSh)	(KSh)	(KSh)	(KSh)	(KSh)	(%)
Yolomuni Primary School	2,000,000			2,000,000	2,000,000	- 100%
Mbusyani Primary School		400,000	-	400,000		400,000 0%
<b>Total</b>	<b>80,500,000</b>	<b>400,000</b>	<b>-</b>	<b>80,900,000</b>	<b>19,600,000</b>	<b>61,300,000 24%</b>
<b>8.0 Secondary Schools Projects</b>						
Kisayani secondary School	2,000,000			2,000,000	2,000,000	- 100%
Vote secondary School	1,200,000			1,200,000		1,200,000 0%
Yaathi mixed secondary School	1,200,000			1,200,000		1,200,000 0%
<b>Total</b>	<b>4,400,000</b>	<b>-</b>	<b>-</b>	<b>4,400,000</b>	<b>2,000,000</b>	<b>2,400,000 45%</b>
<b>9.0 Tertiary institutions Projects</b>						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10.0 Security Projects</b>						
Ilusya chief's office	600,000			600,000		600,000 0%
Kalivu chief's office	600,000			600,000		600,000 0%
Kitui south DCI offices	600,000			600,000	600,000	- 100%
Mivuni assistant chief's office	450,000			450,000		450,000 0%



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

Enzou Police Post		1,500,000		1,500,000	1,500,000	-	100%
Monguni Police Post		1,500,000		1,500,000	1,500,000	-	100%
<b>Total</b>	<b>2,250,000</b>	<b>3,000,000</b>	-	<b>5,250,000</b>	<b>3,600,000</b>	<b>1,650,000</b>	<b>69%</b>
<b>11.0 Acquisition of assets</b>							
NG-CDF Office	500,000	7,570,000	-	8,070,000	3,755,000	4,315,000	47%
<b>Total</b>	<b>500,000</b>	<b>7,570,000</b>	-	<b>8,070,000</b>	<b>3,755,000</b>	<b>4,315,000</b>	<b>47%</b>
<b>12.0 Other payments</b>							
Strategic Plan	2,000,000			2,000,000		2,000,000	0%
<b>Total</b>	<b>2,000,000</b>	-	-	<b>2,000,000</b>	-	<b>2,000,000</b>	<b>0%</b>
<b>13.0 Unallocated fund</b>							
Unapproved projects	-			-		-	0%
AIA	-			-		77,000	0%
PMC savings	-			-			
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,000</b>	<b>0%</b>
<b>14.0 Constituency Oversight Committee</b>							
Committee Sitting Allowances	1,060,600			1,060,600		1,060,600	0%

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

	Original Budget (a)	Adjustments (b)	Final Budget (a+b)	Actual on comparable basis (d)	Budget utilization difference (e-d)	Utilization % (e/d)
	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference	Utilization %
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
Use of Goods & Services	459,000		459,000	-	459,000	0%
<b>Total</b>	<b>1,519,600</b>	<b>-</b>	<b>1,519,600</b>	<b>-</b>	<b>1,519,600</b>	<b>0%</b>
	<b>151,960,174</b>	<b>13,704,101</b>	<b>165,664,275</b>	<b>67,613,772</b>	<b>98,127,504</b>	<b>41%</b>

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

#### **XIV. Significant Accounting Policies**

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

##### **1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and 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 South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

*Unutilized Funds from PMCs.*

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2023 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> 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 30<sup>th</sup> June 2023.

**14. Errors**

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

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

**15. Related Party Transactions**

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



**XV. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

AIE NO. B 140959		33,000,000
AIE NO. B 105480		44,000,000
AIE NO. B 105825		24,000,000
AIE NO. B 128570		5,000,000
AIE NO. B 128881		12,000,000
AIE NO. B 154079		15,000,000
AIE NO. B 164416		18,000,000
AIE NO. B 155854		16,088,879
AIE NO. A 895012		3,000,000
AIE NO. A 888978		5,200,000
AIE NO. B 155974		12,088,879
AIE NO. B 185126	7,000,000	
AIE NO. B 185667	15,000,000	
AIE NO. B 185536	6,000,000	
AIE NO. B 128570	5,000,000	
AIE NO. B 205798	12,000,000	
AIE NO. B 206426	12,000,000	
AIE NO. B 207820	17,000,000	
AIE NO. B 207660	16,000,000	
<b>TOTAL</b>	<b>90,000,000</b>	<b>187,377,758</b>

**2. Proceeds From Sale of Assets**

Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**3. Other Receipts**

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

Description		
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	77,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	<b>77,000</b>	<b>-</b>

**4. Compensation Of Employees**

Description		
NG-CDFC Basic staff salaries	1,929,596	2,952,480
<b>Personal allowances paid as part of salary</b>		
House allowance	142,550	207,600
Transport allowance	288,000	288,000
Leave allowance	-	24,000
Gratuity-contractual employees	929,235	558,827
Employer Contributions Compulsory national social security schemes	99,360	164,160
<b>TOTAL</b>	<b>3,388,741</b>	<b>4,195,067</b>

**5. Committee Expenses**

Description		
Sitting allowance	1,158,000	2,010,200
Other committee expenses	2,815,000	4,015,950
<b>TOTAL</b>	<b>3,973,000</b>	<b>6,026,150</b>

**6. Use of Goods and services**

Description		
Utilities, supplies and services	-	100,000
Communication, supplies and services	1,541,900	200,000
Domestic travel and subsistence	183,100	163,600
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	523,600	1,974,600
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,126,830	300,000
Fuel , oil & lubricants	200,000	300,000
Other operating expenses	330,000	-
Bank Charges	143,100	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>4,048,530</b>	<b>3,038,200</b>

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

**Notes to The Financial Statements (Continued)**

**7. Transfer to Other Government Units**

Transfers to Primary Schools	19,600,000.00	113,500,000
Transfers to Secondary Schools	2,000,000.00	13,700,000
Transfers to Tertiary Institutions	-	5,200,000
<b>TOTAL</b>	<b>21,600,000.00</b>	<b>132,400,000</b>

**8. Other Grants and Other transfers**

Bursary - Secondary ( see attached list)	17,802,842	17,300,674
Bursary -Tertiary ( see attached list)	8,953,649	8,105,148
Bursary- Special Schools	-	-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects ( see attached list)	3,600,000	11,100,000
Sports Projects ( see attached list)	-	-
Environment Projects ( see attached list)	-	-
Emergency Projects ( see attached list)	492,000	10,618,485
Roads Projects	-	-
<b>TOTAL</b>	<b>30,848,501</b>	<b>47,124,307</b>

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

*Notes to the Financial Statements (Continued)*

**9. Acquisition Of Assets**

Description		
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	3,755,000	-
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		
<b>TOTAL</b>	<b>3,755,000</b>	<b>-</b>

**10. Oversight Committee Expenses**

Description		
Committee sitting allowances	-	-
Other committee sitting allowances	-	-
Use of goods & services	-	-
	-	-

**11. Other Payments**

Description		
Strategic plan	-	-
ICT Hub	-	-
	-	-

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

**12. Cash Book Bank Balance**

12. Cash Book Bank Balance		
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
NG-CDF Kitui South Constituency Equity Bank- Mutomo Branch A/c No. 1670266577876	<b>36,303,766</b>	<b>13,704,101</b>
Kenya Commercial Bank, A/C no. Branch. (deposit account)	-	-
<b>TOTAL</b>	<b>36,303,766</b>	<b>13,704,101</b>
<b>12B: CASH IN HAND)</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>TOTAL</b>	-	-

**13. Outstanding Imprests**

13. Outstanding Imprests				
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Total</i>		-	-	-

*Notes to the Financial Statement Continued*

**14. Retention and Deposit**

<b>14. Retention</b>		
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

**15. Gratuity**

<b>15. Gratuity</b>		
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	929,235	-
Gratuity paid during the Year (C)	792,799	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	<b>136,426</b>	-

**16. Fund Balance B/F**

<b>16. Fund Balance B/F</b>		
Bank accounts	13,704,101	19,110,067
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>13,704,101</b>	<b>19,110,067</b>

**17. Prior Year Adjustments**

Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others –Reversed Cheques	-	-	-
<b>Total</b>	-	-	-

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

**18. Changes in Accounts Receivable – Outstanding Imprests**

Outstanding Imprest as at 1st July (A)		
Imprest issued during the year (B)	7,564,430	8,600,750
Imprest surrendered during the Year (C)	7,564,430	8,600,750
Closing accounts receivable as at 30th June 2023 (D=A+B-C)	-	-
<b>Net changes in accounts receivables D-A</b>	-	-

**19. Changes in Accounts Payable – Deposits and Retentions**

Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	136,436	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	<b>136,436</b>	-
<b>Net changes in accounts payables D-A</b>	<b>136,436</b>	-



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

*Notes To the Financial Statements (Continued)*

**20. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	-	-

**19.2: Pending Staff Payables (See Annex 2)**

NGCDF Staff	136,436	598,983
Others (specify)	-	-
	<b>136,436</b>	<b>598,983</b>

**19.3: Unutilized Fund (See Annex 3)**

Compensation of employees	1,419,368	598,933
Use of goods and services	1,424,070	539,594
Amounts due to other Government entities (see attached list)	63,700,000	400,000
Amounts due to other grants and other transfers (see attached list)	23,672,466	4,595,574
Acquisition of assets	4,315,000	7,570,000
Others (Strategic plan)	2,000,000	-
Others (Constituency Oversight Committee)	1,519,600	-
Funds pending approval (Sale of tenders)	77,000	-
<b>Total</b>	<b>98,127,504</b>	<b>13,704,101</b>

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

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**19.4: PMC account balances (See Annex 5)**

PMC account balances (see attached list)	11,110,013	16,600,674
<b>Total</b>	<b>11,110,013</b>	<b>16,600,674</b>

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

**XVI. Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

	a	b	c	d=a-c
<b>Construction of buildings</b>				
1.				
2.				
3.				
<b>Sub-Total</b>				
<b>Construction of civil works</b>				
4.				
5.				
6.				
<b>Sub-Total</b>				
<b>Supply of goods</b>				
7.				
8.				
9.				
<b>Sub-Total</b>				
<b>Supply of services</b>				
10.				
<b>Sub-Total</b>				
<b>Grand Total</b>				

**Annex 2 - Analysis of Pending Staff Payables**

		Registration	Date employed	Outstanding Balance as of June 2023	Comments
<b>NG-CDFC Staff</b>					
1	Lydia Mbeti Ngala	Accounts Assistant	01.03.2023	37,412.00	
2	Rebbeca Mwangeli Munyoto	Administrative Assistant	01.03.2023	30,480.00	
3	Jeremiah Kitonga	Driver	01.03.2023	26,660.00	
4	Mike Mutua Komu	Security Personnel	01.03.2023	20,942.00	
5	Job Kimanthi Daniel	Security Personnel	01.03.2023	20,942.00	
	<b>Sub-Total</b>			136,436.00	
	<b>Grand Total</b>			<b>136,436.00</b>	

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

**Annex 3 – Unutilized Fund**

		2022-2023	2021-2022	
<b>Compensation of employees</b>	Staff compensation	1,419,368	598,933	Some staff were hired late in the year hence would not exhaust all the money
<b>Use of goods &amp; services</b>	Purchase of goods and payment of office services	1,424,070	539,594	Some funding not received
<b>Amounts due to other Government entities</b>				
Ekani Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Enzou Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Ikilungulu Primary School	Classroom construction	1,200,000		Some funding not received
Ilamba Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Imale Primary School	Classroom construction	1,200,000		Some funding not received
Imathoka Primary School	Classroom construction	1,200,000		Some funding not received
Itumba Primary Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Ivukuvuku Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Kaasula Primary School	Classroom construction	1,200,000		Some funding not received
Kaatene Primary School	Renovation of 4 classrooms	1,600,000		Some funding not received
Kakithya Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Kaliani Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Kaluluini Primary School		1,200,000		Some funding not received
Kandae Primary	Renovation of 5 classrooms	2,000,000		Some funding not received

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

		2022-2023	2021-2022	
Kasaala Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Kavete Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Kikwa Primary School	Classroom construction	1,200,000		Some funding not received
Kithae Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Kwa-kimweli Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Kyuluni Primary School	Classroom construction	1,200,000		Some funding not received
Makosi Primary School	Classroom construction	1,200,000		Some funding not received
Malili Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Maungu Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Memboo Primary School	Admin block construction	1,300,000		Some funding not received
Mitalani Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Musenge Primary School	Classroom construction	1,200,000		Some funding not received
Muteetu Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Muthue Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Mutonyaitho Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Mwaani Primary School	Classroom construction	1,200,000		Some funding not received
Ndiini Primary School	Classroom construction	1,200,000		Some funding not received
Ngangani Primary School	Classroom construction	1,200,000		Some funding not received
Ngawuni Primary School	Classroom construction	1,200,000		Some funding not received

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

		2022-2023	2021-2022	
St. JosePhs kaindu Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Syomithumo Primary School	Renovation of 5 classrooms	2,000,000		Some funding not received
Windundu Primary School	Classroom construction	1,200,000		Some funding not received
Yanzati Prmary School	Classroom construction	1,200,000		Some funding not received
Vote secondary School	Classroom construction	1,200,000		Some funding not received
Yaathi mixed secondary School	Classroom construction	1,200,000		Some funding not received
Musyani Primary School	Classroom completion	400,000	400,000	Awaiting approval for activity change
<b>Sub-Total</b>		<b>63,700,000</b>	<b>400,000</b>	
<b>Amounts due to other grants and other transfers</b>				
Ilusya chief's office	Construction of office	600,000		Some funding not received
Kalivu chief's office	Construction of office	600,000		Some funding not received
Mivuni assistant chief's office	Construction of office	450,000		Some funding not received
Enzou Police Post	Construction of police post	-	1,500,000	Completed
Monguni Police Post	Construction of police post	-	1,500,000	Completed
Kasundu Sand dam	Construction of sand dam	1,000,000	1,000,000	Completed
Constituency Sports tournament	Sports tournament & purchase of uniforms & balls	1,500,000		Some funding not received
Regional Sports Tournament	Regional sports tournament	500,000		Some funding not received
Secondary Schools	Bursary to secondary schools	11,339,213	102,852	Some funding not received
Tertiary Institutions	Bursary to tertiary schools	46,351		Some funding not received

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

		2022-2023	2021-2022	
Emergency(Unallocated)	Emergency funding	7,636,912	492,722	Some funding not received
	<b>Sub-Total</b>	<b>23,672,476</b>	<b>4,595,574</b>	
<b>Acquisition of assets</b>				
Motor Vehicle	Motor vehicle purchase	3,815,000	7,570,000	50% paid
Furniture & Equipment	Furniture purchase	500,000	-	Some funding not received
	<b>Sub-Total</b>	<b>4,315,000</b>	<b>7,570,000</b>	
<b>Others (specify)</b>				
Strategic Plan	strategic plan preparation	2,000,000	-	Some funding not received
Constituency Oversight Committee	COC funds	1,519,600	-	Some funding not received
	<b>Sub-Total</b>	<b>3,519,600</b>	<b>-</b>	
Funds pending approval				
AIA-Sale of tenders	Sale of tenders	77,000		Awaiting approval for expenditure
	<b>Sub-Total</b>	<b>77,000</b>	<b>-</b>	
	<b>Grand Total</b>	<b>98,127,514</b>	<b>13,704,101</b>	



**Annex 4 – Summary of Fixed Asset Register**

		Acquired during the year (KSh)	Disposals during the year (KSh)	
Land				-
Buildings and structures	18,561,408			18,561,408
Transport equipment	1,142,812	3,755,000		4,897,812
Office equipment, furniture and fittings				-
ICT Equipment, Software and Other ICT Assets	1,843,657			1,843,657
Other Machinery and Equipment				-
Heritage and cultural assets				-
Intangible assets				
<b>Total</b>	<b>21,547,877</b>			<b>25,302,877</b>

**Kitui South Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**  
**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

1	ABC Ngiluni Primary School	EQUITY	1670177392746	28.06.2018	1,970	500,100
2	Ekani Primary School	EQUITY	1670181176396	18.08.2021	20	20
3	Enzou Police Post	EQUITY	1670182845713	04.07.2022	30	
4	Ikanga Boys Secondary School	EQUITY	1670268705797	29.06.2016	1,812	1,992
5	Ikanga Police Post	EQUITY	1670182083733	07.12.2021	100	99,770
6	Ikanga Primary School	EQUITY	1670184235692	23.05.2023	104,520	
7	Ikilungulu Primary School	EQUITY	1670164568370	30.07.2015	16,571	76,741
8	Ikutha Chief Office	EQUITY	1670182210005	18.01.2022	980	51,400
9	Ikutha Chiefs Camp	EQUITY	1670182213683	19.01.2022	480	480
10	Ikutha CSO Office	EQUITY	1670182740481	16.06.2022	560	-
11	Ikutha DCC Office	EQUITY	1670172063406	09.03.2017	2,892	2,892
12	Ikutha Girls Secondary School	EQUITY	1670264520981	21.07.2015	640	820
13	Ikutha Primary School	EQUITY	1670169112268	26.07.2016	33,590	113,260
14	Ilengi Primary School	EQUITY	1670168708176	29.06.2016	110	110
15	Ingo Primary School	EQUITY	1670184219771	17.05.2023	1,200,000	0
16	Ithumula assistant Chief Office	EQUITY	1670182186813	11.01.2022	30	30
17	Kaatene Primary School	EQUITY	1670168498154	17.06.2016	150	78,980
18	Kaivisi Primary School	EQUITY	1670184207387	12.05.2023	104,259	
19	Kakithya Primary School	EQUITY	1670182466240	30.03.2022	60	76,690
20	Kalambani Primary School	EQUITY	1670164538825	24.07.2015	615	615
21	Kaliakatune Assistant Chief Office	EQUITY	1670180173679	07.10.2020	1,340	1,340
22	Kamunyuni Primary School	EQUITY	1670164530431	22.07.2015	110	78,780
23	Kandae Primary School	EQUITY	1670169614575	30.08.2016	3	77,693
24	Kandengya Primary School	EQUITY	1670182438124	22.02.2022	-	53,660
25	Kanguli Primary School	EQUITY	1670181138466	05.08.2021	60	60
26	Kanziko Chiefs Office	EQUITY	1670180932396	31.05.2021	40	40
27	Kanziko Township Primary School	EQUITY	1670164521243	21.07.2015	92	92

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

28	Kanziko Zonal Office	EQUITY	1670181198238	25.08.2021	715	1,075
29	Kasaala Assistant Chief Office	EQUITY	1670182181181	10.01.2022	40	40
30	Kasivuni Primary School	EQUITY	1670167208024	15.03.2016	101,178	18
31	Kavete Assistant Chief Office	EQUITY	1670180925076	28.05.2021	1,381	1,381
32	Kavete Primary School(Mutha)	EQUITY	1670280480489	16.01.2021	21	21
33	kavyuvaa Primary School	EQUITY	1670182477798	01.04.2022	80	76,510
34	Kenze Primary School	EQUITY	1670168385008	08.06.2016	101,470	50
35	Kiange Primary School	EQUITY	1670182227829	24.01.2022	40	193,540
36	Kiangwa Assistant Chief Office	EQUITY	1670182194970	13.01.2022	780	960
37	Kilawa Secondary school	EQUITY	1670182574153	04.05.2022	320	55,290
38	Kimuu Primary School	EQUITY	1670171867468	24.02.2017	1,825	86,155
39	Kisayani Primary School	EQUITY	1670280936060	27.05.2021	9,410	9,410
40	Kisayani Secondary School	EQUITY	1670184203079	11.05.2023	1,964,880	0
41	Kisou Primary School	EQUITY	1670171841277	22.02.2017	160	160
42	Kithina Sand Dam	EQUITY	1670180550389	08.02.2021	2,743	2,743
43	Kitoo Assistant Chief Office	EQUITY	1670282531592	20.04.2022	40	40
44	Kitui South CSO Office	EQUITY	1670180845652	30.04.2022	460	640
45	Kituvwi Assistant Chief Office	EQUITY	1670180926493	28.05.2021	20	20
46	Kituvwi Primary School	EQUITY	1670166502958	22.01.2016	6,903	7,263
47	Kivili Primary School	EQUITY	1670184238459	24.05.2023	2,000,000	
48	Kivyuni assistant Chief Office	EQUITY	1670182171852	06.01.2022	70	70
49	Kwa Songe Primary School	EQUITY	1670280904273	29.04.2021	60	60
50	Kyamuthwa Secondary School	EQUITY	167018044908	06.01.2021	420	420
51	Kyatune Primary School	EQUITY	1670168819266	05.07.2016	2,000,058	102,878
52	Kyawangu Primary School	EQUITY	1670179818049	14.05.2022	560	144,980
53	Maaini Assistant Chief Office	EQUITY	1670182209920	18.01.2022	80	84,400
54	Makele Assistant Chief Office	EQUITY	1670180874321	10.05.2021	400	400
55	Maluma ACC Office	EQUITY	1670181285355	14.09.2021	-	346,920
56	Maluma Assistant Chief Office	EQUITY	1670180806504	16.04.2021	69	69

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

57	Maluma Secondary School	EQUITY	1670282525880	19.04.2022	4,115	65,972
58	Maungu Primary School	EQUITY	1670168607064	25.06.2016	15	15
59	Mbakoni Primary School	EQUITY	1670180799218	14.04.2021	320	320
60	Mikomani Primary School	EQUITY	1670181196161	24.08.2021	-	65,926
61	Mikongooni Secondary School	EQUITY	1670180799963	14.04.2021	415	31,520
62	Mitaani Primary School	EQUITY	1670172036274	07.03.2017	59	75,997
63	Monguni Police Post	EQUITY	1670182930628	19.07.2022	1,568	0
64	Muamba Primary School	EQUITY	1670170984525	13.12.2016	110	110
65	Muambani Assistant Chief Office	EQUITY	1670180914492	25.05.2021	2,326	2,326
66	Mutha Chiefs Office	EQUITY	1670180881351	12.05.2021	200	200
67	Muti Primary School	EQUITY	1670280282106	12.11.2020	90	90
68	Mutomo Chiefs Office	EQUITY	1670167015112	13.07.2018	6	6
69	Mutomo DCI Office	EQUITY	1670181279974	13.09.2021	30,353	0
70	Mutomo District HQ	EQUITY	1670168489070	16.06.2016	445	49,825
71	Mutomo Huduma Centre	EQUITY	1670180563174	12.02.2021	103,908	103,908
72	Mutomo Primary School	EQUITY	1670168570064	22.06.2016	730	730
73	Mutomo TSC Office	EQUITY	1670179838773	26.05.2022	3,315	3,495
74	Mutuni Primary School	EQUITY	1670168651807	27.06.2016	60	77,430
75	Muvuko Primary School	EQUITY	1670181010451	25.06.2021	34	34
76	Mwambaisyuko Primary School	EQUITY	1670180040041	24.08.2020	2,400	58,120
77	Mwangala assistant Chief Office	EQUITY	1670180800115	14.04.2021	170	170
78	Mwangala Primary School	EQUITY	1670182224439	22.01.2022	540	77,530
79	Ndili Assitant Chief Office	EQUITY	1670181014914	21.06.2021	30	30
80	Ndili Primary School	EQUITY	1670184198458	10.05.2023	1,200,000	-
81	Ndondoni Primary School	EQUITY	1670164579206	31.07.2015	52,943	670,570
82	Nduundune Assistant Chief Office	EQUITY	1670182190780	12.01.2022	80	47,520
83	Nduundune Primary School	EQUITY	1670180224537	27.10.2020	360	360
84	Ngaasani Primary School	EQUITY	1670184196692	09.05.2023	1,163,760	0

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

85	Ngali Primary School	EQUITY	1670166434103	15.01.2016	40	63,770
86	Ngoseni Primary School	EQUITY	1670171510313	27.01.2017	8,460	658,838
87	Nzamba Assistant Chief Office	EQUITY	1670182183017	10.01.2022	400	400
88	Sembeni Primary School	EQUITY	1670182433509	21.03.2022	5,211	5,211
89	Senda Primary School	EQUITY	1670182578155	05.05.2022	91	55,628
90	Simisi Chiefs Office	EQUITY	1670180799178	14.04.2021	130	130
91	St Joseph's Kaindu Primary School	EQUITY	1670167017776	02.03.2016	115	115
92	Syomithumo Primary School	EQUITY	1670167019784	02.03.2016	491	1,500,171
93	Tutu Primary School	EQUITY	1670170935168	08.12.2013	1,151	62,766
94	Vote Assistant Chief Office	EQUITY	1670182187284	11.01.2022	80	80
95	Vutu Primary school	EQUITY	1670184231194	22.05.2023	104,577	0
96	Windiu Primary School	EQUITY	1670169666047	02.09.2016	10,550	71,400
97	Winduma Primary School	EQUITY	1670167015785	02.03.2016	150	150
98	Yolomuni Primary School	EQUITY	1670184196663	09.05.2023	103,400	0
99	Emale Primary School	KCB	1208439472	04.05.2017	32	32
100	Emale Primary School	KCB	1208439472	07.04.2017	1,175,032	
101	Enzou Primary School	KCB	1166082733	12.05.2020	43	43
102	Ikandani Primary School	KCB	1166343979	26.07.2018	298	424
103	Ikanga Teachers Training College	KCB	1239216939	19.11.2018	428	4754
104	IkangaZonal education Office	KCB	1277776687	14.09.2020	24,664	24,664
105	Ilaani Primary School	KCB	1166126226	18.02.2020	889	889
106	Ilengi Secondary School	KCB	152023614520	29.04.2021	1	1
107	Ilusya Primary School	KCB	1166341550	07.01.2015	755	78,377
108	Imelu Primary School	KCB	1234837080	25.06.2018	954	54,440
109	Imiwa Primary School	KCB	1167457382	20.05.2021	576	576
110	Imwange Primary School	KCB	1206737921	02.03.2017	624	61,227
111	Isaa Assistant Chief Office	KCB	1292931635	07.01.2022	67,694	67,820
112	Isaa Primary School	KCB	1161654151	02.01.2015	1,615	1741

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

113	Ivukuvuku Primary School	KCB	1168519330	01.08.2017	2,130	2,256
114	Kaangungi Primary School	KCB	1236317882	25.07.2018	9	300,100
115	Kaangwa Primary School	KCB	1206428015	23.02.2017	124	1,100,450
116	Kakunio Primary School	KCB	1236039394	18.07.2018	146	60,362
117	Kaliani Primary School	KCB	1166292436	09.01.2015	524	84,700
118	Kaliluni Primary school	KCB	1166354164	14.01.2015	3,063	3189
119	Kalivu Primary School	KCB	1255152141	06.04.2019	553	78,029
120	Kalivu Secondary School	KCB	1160183066	19.09.2014	1,787	1,787
121	Kaluluini Primary School	KCB	1206580852	21.03.2017	321	321
122	Kaluluini Primary School(Ikutha)	KCB	1159242933	04.09.2014	1,344	1,344
123	Kaluluini Primary School(Mutha)	KCB	1206580852	27.02.2017	321	78,979
124	Kamina Primary School	KCB	1156693454	25.06.2019	1,623	1,623
125	Kamuluve Primary School	KCB	1206810009	10.03.2017	382	54,158
126	Kamunga Primary School	KCB	1206770732	03.03.2017	504	330
127	Kamutei Secondary School	KCB	1159240043	04.09.2014	971	79,967
128	Kanthi Primary School	KCB	1155947959	02.07.2014	1,108	1,584
129	Kasoyani Primary School	KCB	1166633608	20.06.2017	1,432	1,432
130	Kasundu Primary School	KCB	1166328910	19.06.2018	497	497
131	Kasyelia Primary School	KCB	1166387682	21.07.2018	2,698	502,290
132	Katilini Primary School	KCB	1287491987	21.07.2021	674	800
133	Katulu Primary School	KCB	1255151838	06.04.2019	118	244
134	Kavete Primary School(Ikutha)	KCB	1234835932	28.06.2018	4,253	4,080
135	Kavwee Primary School	KCB	1297554108	23.06.2022	508	508
136	Kayangombe Primary School	KCB	1166510085	14.01.2015	172	78,693
137	Keutunda Assistant Chief Office	KCB	1292929626	29.01.2022	14	79,740
138	Kiange Assistant Chief Office	KCB	1159752125	12.09.2014	17,125	17,125
139	Kiati Primary School	KCB	1159243697	27.06.2019	3,361	3,361
140	Kibwea Mixed Sec School	KCB	1159591245	07.08.2022	1,044	970

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

141	Kiimani Assistant Chief Office	KCB	1258505312	06.11.2019	44	44
142	Kilisa Primary School access road	KCB	1166840174	14.05.2019	128	55,148
143	Kilongoni Primary School	KCB	1206577819	27.02.2017	48,241	105,217
144	Kiluya Primary school	KCB	1239532334	04.05.2017	693	1,074,059
145	Kitambaa Primary School	KCB	1166553884	14.01.2015	613	500,979
146	Kitenzele Primary School	KCB	1207306444	16.03.2017	4,521	4,521
147	Kituti Primary School	KCB	1203252471	09.12.2016	508	508
148	Kiviu Primary School	KCB	1166205762	20.03.2018	1,844	1,844
149	Kivuti Primary School	KCB	1204384533	28.07.2018	400	400
150	KMTC Mutomo Campus	KCB	1174072954	02.09.2015	703	703
151	Kongo Primary School	KCB	1167523725	23.03.2019	132	132
152	Kyamuthwa Primary School	KCB	1207268860	06.10.2020	263	1,089
153	Kyandula Primary School	KCB	1259456471	25.06.2019	53,739	53,991
154	Kyanyaa Primary School	KCB	1279377291	14.10.2020	5,172	5,172
155	Kyatune Special School	KCB	1225719461	16.03.2018	1,270	366,522
156	Kyoani Assistant Chief Office	KCB	1259010694	18.06.2019	1,368	1,368
157	Kyuasini Primary School	KCB	1209860554	16.05.2017	262	262
158	Makekee Primary School	KCB	1162967285	02.02.2017	564	564
159	Makele Primary School	KCB	1167672445	06.01.2020	12	12
160	Makosi Primary School	KCB	1207722804	06.10.2020	1,310	1,310
161	Makue Primary School	KCB	1281013064	30.11.2020	604	604
162	Makueni Primary School	KCB	1166884767	23.01.2015	1,661	1,661
163	Makuuni Primary School	KCB	1166457125	01.03.2017	2,923	2,923
164	Malatani Primary School	KCB	1261873416	06.08.2019	1,542	60,038
165	Malili Primary School	KCB	1166302857	18.04.2017	310	436
166	Matikoni Primary School	KCB	1236029291	18.07.2018	1,452	76,928
167	Matua Primary School	KCB	1166508528	29.04.2021	980	980
168	Mavia Primary School	KCB	1167742419	06.08.2021	347	473

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

169	Mbusyani Primary school	KCB	1199888214	05.11.2016	77,414	79,340
170	Mesilya Primary School	KCB	1166560295	27.08.2018	113	113
171	Mikongooni Primary School	KCB	1210745178	09.12.2021	538	664
172	Mukuanima Primary School	KCB	1167339517	19.06.2019	884	1,010
173	Mukundaa Primary School	KCB	1166627519	23.09.2014	2,815	2,815
174	Mukwakwani Primary School	KCB	1206564490	24.03.2017	1,142	58,764
175	Munathi Primary School	KCB	1255160896	06.04.2019	161	446,876
176	Musenge Police post	KCB	1268787108	20.12.2019	40,996	40,996
177	Musenge Primary School	KCB	1166304469	31.05.2019	1,253	1,253
178	Musikio Primary School	KCB	1286030234	27.05.2021	274	274
179	Muthue Primary School	KCB	1167597427	06.04.2021	386	386
180	Mutomo Girls Sec School	KCB	1198757043	20.11.2019	5,790	69,536
181	Mutomo School for the deaf	KCB	1152686178	05.10.2020	234	234
182	Mutonya Secondary School	KCB	1159256217	15.08.2016	174	500,094
183	Mutonyaitho Primary School	KCB	1158045069	14.08.2014	54	54
184	Mutulu Primary School	KCB	1167201507	25.06.2019	283	535
185	Mwaani Primary School	KCB	1224699750	23.02.2018	1,475	1,475
186	Mwaathe Primary School	KCB	1234783754	10.12.2021	718	844
187	Mwala Primary School	KCB	1166429628	22.03.2017	124	124
188	Mwambua Primary School	KCB	1238237096	05.09.2018	394	394
189	Ndakani Assistant Chief Office	KCB	1292931876	28.01.2022	14	140
190	Ndatani AP Line	KCB	1261641272	09.08.2019	313	200,039
191	Ndatani Primary School	KCB	1166271579	05.01.2015	582	76,684
192	Ndiini Primary School	KCB	1166175677	31.12.2014	1,753	1,879
193	Ndili Primary School	KCB	1167340876	15.03.2017	780	780
194	Ndilili Assistant Chief Office	KCB	1236080467	19.07.2018	947	947
195	Ndilili Secondary School	KCB	1286380987	26.05.2021	184	184
196	Ndithini Primary School	KCB	1206874260	11.04.2022	154	157,630
197	Ndivuni Primary School	KCB	1236616057	01.08.2018	774	774



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

198	Ngaani Primary School	KCB	1166406016	09.08.2021	214	340
199	Ngangani Primary School	KCB	1209298406	09.06.2022	3,864	1,100,100
200	Ngawuni Primary School	KCB	1234835126	28.06.2018	248	248
201	Ngelani Primary School	KCB	1212925165	20.07.2017	898	898
202	Ngunga Primary School	KCB	1198863544	07.09.2016	48	48
203	Nguswini Primary School	KCB	1166569349	05.10.2020	746	746
204	Ngwate Primary School	KCB	1281076444300	17.10.2012	566	566
205	Ngwate Secondary School	KCB	1136922539	23.06.2017	522	522
206	Nthwaiani Primary School	KCB	1167273338	14.10.2020	17,944	17,944
207	Nzaini Primary School	KCB	1292380934	08.01.2022	14	238,380
208	Nzalani Primary School	KCB	1166592944	07.03.2018	922	922
209	Nzoani Primary School	KCB	1236323688	25.07.2018	967	61,735
210	Nzouni Primary School	KCB	1166331261	09.03.2018	205	205
211	Semea Secondary School	KCB	1217272917	28.09.2018	872	998
212	St James Kasambuya Primary School	KCB	1236035119	18.07.2018	40	40
213	St Philips Vote Secondary School	KCB	1233536133	29.05.2018	1,528	1,654
214	Syamatani Primary School	KCB	1268642940	17.12.2019	512	82,488
215	Syunguni Secondary School	KCB	1159588465	10.09.2014	80,534	80,912
216	Thome Primary School	KCB	1280535873	13.11.2020	834	834
217	Timboni Primary School	KCB	1167826558	25.02.2015	2,518	2518
218	Tuvila Primary School	KCB	1166092437	27.04.2017	832	482,800
219	UAE Primary School	KCB	1124951326	27.03.2017	3,474	81,450
220	Vengeleni Primary School	KCB	1206436840	22.03.2017	1,233	1,233
221	Vote Primary school	KCB	1166301176	06.01.2015	535	77,495
222	Vutu Primary School	KCB	1167979877	27.08.2020	750	750
223	Windundu Primary School	KCB	1202908071	24.05.2021	534	77,910
224	Wingololi Primary School	KCB	1206622644	20.03.2017	227	353
225	Yaana Primary School	KCB	1520230481800	08.10.2020	155	155

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

226	Yaathi Mixed Sec School	KCB	1242832688	29.11.2018	922	1,048
227	Yaathi Primary School	KCB	1234841487	28.06.2018	88	88
228	Yanzati Primary School	KCB	1522231013700	28.10.2020	275	275
229	Yolomuni Primary School	KCB	1166845303	22.01.2015	766	766
230	Yongo Primary School	KCB	1167721187	23.02.2015	246	48,618
231	Yumbilile Primary School	KCB	1206447389	20.03.2017	551	551
232	Malumini Primary School	KCB	1151815837	03.05.2022	86,884	-
233	Ikanga Chiefs Office	NBK	1520209825900	23.08.2018	130	130
234	Kangima Primary school	NBK	1281023076500	26.06.2015	1,043	1,102,355
235	Kathingu Primary School	NBK	1281023069100	02.06.2015	156	53,006
236	Katilini Assistant Chiefs Office	NBK	1520209238600	07.09.2018	34,398	34,758
237	Kiangu Primary School	NBK	1520239463200	01.09.2021	8	8
238	Kikwa Primary School	NBK	1281023074300	30.06.2015	276	54,738
239	Kyangoto Primary School	NBK	1522238421500	21.07.2021	180	180
240	Semea Primary School	NBK	1522238492500	24.07.2021	553	9,913
241	Tsavo Primary School	NBK	1522052114000	13.08.2018	318	318
242	Yamutava Primary School	NBK	1281023070000	06.07.2015	328	101,428
					<b>11,110,013</b>	<b>16,600,674</b>

**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 to the External Auditor's Report	Description of the Issue	Management Comments	Status	Resolution Date
Report as at 30 <sup>th</sup> June 2022	<p>Unsupported Transfers: The statement of receipts and payments reflects transfers to other government entities amount of ksh 132,400,000 as disclosed in Note 6 to the financial statements which included transfers to primary schools of Ksh 113,500,000. However, the expenditure was not supported with work plans and expenditure returns showing how the funds were utilised. In the circumstances, the accuracy and completeness of transfers to primary schools amount of ksh 113,500,000 would not be confirmed.</p>	<p>Work plans are to be drawn by the PMCs and the same has been noted for future implementation of projects. In addition PMCs will be trained on preparation of project work plans under the guidance of public works Office.</p> <p>All expenditure returns are in individual PMC files and were availed to the auditor during audit.</p>	Unresolved	December 2023
Report as at 30 <sup>th</sup> June 2022	<p>Inadequate allocation of bursaries: Note 7 to the financial</p>	<p>The NG-CDFC made adequate allocation for FY 2022-2023 amounting to Kshs 38,039,203 which</p>	Resolved	Resolved

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

	<p>statements reflects bursary to secondary and tertiary institutions of ksh 25,405,822. However, this amount translates to 12.3% of the final budget amount of ksh 206,487,825 which is less the 25% amount of ksh 51,621,956. This result to inadequate allocation of bursaries of ksh 26,216,134 or 12.7% and contravenes regulation 21(5) of NG-CDF regulations, 2016 which states that a constituency committee shall allocate not less than 25% of the funds allocated to a constituency for bursaries. In the circumstances, management was in breach of the law.</p>	<p>is 25% of the annual allocation as required by the law.</p>		
<p>Report as at 30<sup>th</sup> June 2022</p>	<p>Irregular use of low value procurement method: Note 5 to the financial statements reflects other committee expenses of ksh 2,010,200 out of which ksh 420,000 was for hire of motor vehicle which</p>	<p>Our office is located about 70Kms from Kitui Town. The only person who offer transport services in the area does not have a registered company and hence to get services</p>	<p>Resolved</p>	<p>Resolved</p>

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

Reference No. on the External Audit Report	Findings / Observations from Auditor	Management Comments	Status (Resolved / Not Resolved)	Completion Date
	<p>was not supported by original KRA electronic tax receipts. In the circumstance management was in breach of the law.</p>	<p>from Kitui Town where one can get registered companies offering the service will be too costly because of the distance. Secondly, many transport operators fear the terrain of the area which is bad hence wear and tear of the vehicles is high. This has made that business less attractive to many people leaving only Mutomo Cab Tours.</p> <p>We have begun the process of procuring our own vehicle as evidenced through specifications from Mechanical Department and LPO issued to CFAO Kenya Ltd.</p>		
<p>Report as at 30<sup>th</sup> June 2022</p>	<p>Lack of disaster recovery plan: Review of the funds record revealed that the management had not established a disaster recovery plan. In the absence of disaster</p>	<p>NG-CDFC will put in place the disaster recovery plan</p>	<p>Unresolved</p>	<p>31st March 2024</p>

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

	recovery plan, the entity lacks a blue print for identifying, preventing and mitigating against disasters and ensuring that its operations are not interrupted in the case of unforeseen events. In the circumstances the effectiveness of risk management would not be confirmed.			



.....  
**Name**  
**Fund Account Manager.**