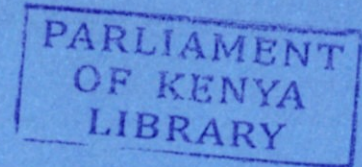


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 08 AUG 2024

DAY:
THUR

OF

TABLED BY: HON. KIMANI ICHEUNGUWA
ROOM: L.O.M
CHECK AT: WILIS
TABLE: WILIS

THE AUDITOR-GENERAL

ON

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

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

Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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 NG-CDF-Masinga 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 2022/2023 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 NG-CDF-Masinga 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 NG-CDF- Masinga 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 NG-CDF Masinga Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

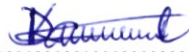
Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Approval of the financial statements

The NG-CDF- Masinga Constituency financial statements were approved and signed by the Accounting Officer on 8/04/ 2024.



.....
Name: Josephat Mutisya
Chairman – NG-CDF Committee



.....
Name: Daniel Mwaluko
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Masinga Constituency set out on pages 1 to 39,

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects comparative total receipts amounting to Kshs.199,437,298 while the corresponding Note 1 to the financial statements reflects Kshs.186,477,758 resulting in an unexplained variance of Kshs.12,959,540. Further, the statement of assets and liabilities excludes gratuity amount of Kshs.166,230 in Note 14B to the financial statements for both the year under review and prior year.

In addition, the statement of assets and liabilities reflects a comparative deficit amount of Kshs.3,335,228. However, the statement of receipts and payments reflects a comparative surplus of Kshs.9,379,312 resulting to an unexplained variance of Kshs.12,714,540.

In the circumstances, the accuracy and completeness of the balances reflected in the financial statements could not be confirmed.

2. Unsupported Committee Expenses

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses amount of Kshs.2,130,185 being sitting allowance of Kshs.684,800 and other committee expenses of Kshs.1,445,385. Included in the other committee expenses amount of Kshs.1,445,385 is expenditure for project verification exercise allowances of Kshs.405,000 paid to various committee members whose payment vouchers lacked sufficient and relevant supporting documents.

In the circumstances, the accuracy and completeness of the committee expenses amounting to Kshs.405,000 could not be confirmed.

3. Unexplained Variances in Cash and Cash and Equivalents

The statement of assets and liabilities reflects cash and cash equivalent balance of Kshs.29,625,783. However, the cash book and board of survey reflects a balance of

Kshs.29,581,039 resulting to an unexplained variance of Kshs.44,744. Further, the bank reconciliation statement reflects opening balance of Kshs.9,379,312 while the prior year audited financial statements reflects a balance of Kshs.9,213,082 resulting in an unexplained variance of Kshs.166,230.

In addition, the bank reconciliation statement as at 30 June, 2023 reflects a receipt recorded in the bank statement of Kshs.10,465 dated 20 April, 2022 but not recorded in the cash book resulting in an understatement of the bank balance by the same amount.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.29,625,783 could not be confirmed.

4. Unsupported Project Management Committee Balances

Note 18.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank accounts balance of Kshs.13,663,625. However, cash books bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC balance of Kshs.13,663,625 could not be confirmed.

5. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.56,094,156 and as disclosed in Note 8 to the financial statements includes bursary payments amounting to Kshs.33,336,560 and Kshs.11,087,596 disbursed to secondary schools and tertiary institutions respectively totalling Kshs.44,424,156. However, no acknowledged letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.44,424,156 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a final receipt budget and actual on comparable basis of Kshs.154,571,915 and Kshs.106,484,312 respectively resulting in under-funding of Kshs.48,087,603 or 31% of the budget. However, the Fund spent

Kshs.76,903,273 against actual receipts of Kshs.106,484,312 resulting to an under-utilization of Kshs.29,581,039 or 28% of the actual receipts.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year matters

The audit report for the previous financial year, raised several issues in regard to the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to implement recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unjustified Expenditure

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects use of goods and services amounting to Kshs.4,579,343. Included in this amount is expenditure totalling Kshs.913,850 relating to communication, supplies and services, out of which an amount of Kshs.712,800 was paid to Postal Corporation of Kenya for delivery of bursary cheques. According to an Agreement signed between the Fund and Postal Corporation of Kenya on 11 April, 2023, a commission per cheque to Machakos was to be charged at Kshs.500, Nairobi City, Makueni, Kajiado, Kiambu, and Kitui town at Kshs.800 while to other counties were charged at Kshs.1000. The rates per cheque appeared quite exorbitant as several cheques would be delivered to one destination at a very high cost. The expenditure incurred was not a proper charge to public funds and could have been avoided.

In the circumstances, value for money was not obtained.

2. Poor Bursary Management

The statement of receipts and payments reflects other grants and other payments of Kshs.56,094,156 as disclosed in Note 8 to the financial statements. Included in this amount is bursaries to tertiary Institutions of Kshs.11,087,596. Review of the bursary lists for various vouchers revealed that there was double awarding of bursaries to some students totalling Kshs.233,168. In addition, several bursaries were also awarded in amounts exceeding Kshs.4,000 that was approved per student in tertiary institutions as per the bursary criteria.

In the circumstances, impartiality and equity of issuance of bursaries to beneficiaries and value for money could not be confirmed.

3. Poor Workmanship on Project Implementation

The statement of receipts and payments reflects transfers to other Government units and other grants and transfers amounts of Kshs.10,345,604 and Kshs.56,094,156 respectively. Included in the amount is Kshs.8,445,604 and Kshs.1,900,000 in respect of transfers to Primary and Secondary schools and Kshs.8,010,000 in respect of emergency projects totalling Kshs.18,355,604. However, project inspection carried out on 20 March, 2024 for a sample of projects pointed to poor workmanship.

In the circumstances, value for money on the expenditure of Kshs.18,35,604 in respect of the projects could not be confirmed.

4. Late Remittance of Statutory Deductions

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects an amount of Kshs.3,575,862 in respect of compensation of employees. Review of schedules for remittances of statutory deductions indicated that remittances of NSSF and PAYE deductions for some months were made after the set deadlines therefore attracting penalties for late submission as stipulated in Regulation 18(4) of the National Government Constituencies Development Fund Regulations, 2016.

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

5. Contracts with Open Ended Agreements

Review of project records provided for audit revealed that signed contracts totalling Kshs.9,345,604 had no contract duration indicated in the contract contrary to Regulation 131 (2)(d) of the Public Procurement and Asset Disposal Regulations, 2020, which states that the Authority shall issue a reporting format for contract awards requiring accounting officers to submit information that is not limited to name of contractor or supplier, subject of procurement, date of commencement or signing, date of contract expiry or completion and contract price.

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

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

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 June, 2024

Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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


	Note	2022/2023	2021/2022
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	97,000,000	199,437,298
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	105,000	
TOTAL RECEIPTS		97,105,000	199,437,298
PAYMENTS			
Compensation of employees	4	3,575,862	3,404,872
Committee expenses	5	2,130,185	4,235,400
Use of goods and services	6	4,579,343	4,339,958
Transfers to Other Government Units	7	10,345,604	94,981,074
Other grants and transfers	8	56,094,156	77,663,150
Acquisition of Assets	9	178,123	1,433,532
Oversight Committee Expenses	10	-	-
Other Payments	11	-	4,000,000
TOTAL PAYMENTS		76,903,273	190,057,986
SURPLUS/DEFICIT		20,201,727	9,379,312

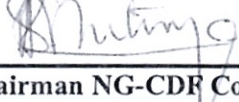
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 8/04/2024 and signed by:


 Fund Account Manager

Name: Daniel Mwaluko


 National Sub-County
 Accountant
 Name: Joseph Kimani
 ICPAK M/No:15376


 Chairman NG-CDF Committee

Name: Josephat Mutisya


Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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


	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	29,625,783	9,213,082
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		29,625,783	9,213,082
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		29,625,783	9,213,082
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A		
Gratuity	14B	-	-
Total Financial Liabilities		166,230	166,230
NET FINANCIAL SSETS		29,459,553	9,379,312
REPRESENTED BY			
Fund balance b/fwd. 1st July...	15	9,379,312	12,714,540
Prior year adjustments	16	44,744	-
Surplus/Deficit for the year		20,201,727	(3,335,228)
NET FINANCIAL POSITION		29,625,783	9,379,312

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

The Constituency financial statements were approved by NG CDFC on 8/07/2024 2024 and signed by:


 Fund Account Manager

Name: Daniel Mwaluko


 National Sub-County
 Accountant

Name: Joseph Kimani
 ICPAK M/No: 15376


 Chairman NG-CDF Committee

Name: Josephat Mutisya

*Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	97,000,000	186,477,758
Other Receipts	3	105,000	245,000
Total Receipts		97,105,000	186,722,758
Payments for operating activities			
Compensation of Employees	4	3,575,862	3,404,872
Committee expenses	5	2,130,185	4,235,400
Use of goods and services	6	4,579,343	4,339,958
Transfers to Other Government Units	7	10,345,604	94,981,074
Acquisition of Assets		178,123	1,433,532
Other grants and transfers	8	56,094,156	77,663,150
Oversight Committee Expenses	10	-	-
Other Payments	11	-	4,000,000
Total Payments		76,903,273	190,057,986
Total receipts less Total Payments		20,201,727	(3,335,228)
Adjusted for:			
Prior year Adjustments	16	44,744	-
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Net cash flow from operating activities		20,246,471	(3,335,228)
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		20,246,471	(3,335,228)
Cash & Cash Equivalent At Start Of The Year	12	9,379,312	12,714,540
Cash & Cash Equivalent At End Of The Year	12	29,625,783	9,379,312

Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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

The Constituency financial statements were approved by NG CDFC on 8/09/2024 and signed by:



Fund Account Manager

Name: Daniel Mwaluko



**National Sub-County
Accountant**

Name: Joseph Kimani
ICPAK M/No: 15376



Chairman NG-CDF Committee

Name: Josephat Mutisya

*Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
Receipts	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	9,379,312	-	154,466,915	106,379,312	48,087,603	68.9%
Proceeds From Sale of Assets			-	0	-	-	0.0%
Other Receipts		105,000	-	105,000	105,000	-	100.0%
Totals	145,087,603	9,484,312	-	154,571,915	106,484,312	48,087,603	68.9%
Payments							
Compensation Of Employees	6,394,256	609,218	-	7,003,474.00	3,575,862	3,427,612	51.1%
Committee Expenses	3,052,628	0	-	3,052,628.00	2,130,185	922,443	69.8%
Use Of Goods and Services	7,411,000	760,295	-	8,171,295.00	4,579,343	3,591,952	56.0%
Transfers To Other Government Units	57,997,794	3,100,000	-	61,097,794.00	10,345,604	50,752,190	16.9%
Other Grants and Transfers	68,999,657	4,485,519		73,485,176.00	56,094,156	17,391,020	76.3%
Acquisition of Assets	0	179,280		79,280.00	178,123	1,157	99.4%
Oversight Committee Expenses	1,032,268	0	-	1,032,268.00	-	1,032,268	0.0%
Other Payments	0	0	-	0	0	-	0.0%
Funds Pending Approval	200,000	350,000	-	550,000.00	-	550,000	0.0%
Totals	145,087,603	9,484,312	-	154,571,915	76,903,273	77,668,642	49.8%

*Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Explanatory Notes.

ITEM	PERCENTAGE	REMARKS
COMPENSATION OF EMPLOYEES	51.1%	The underutilized funds forms part of 48.9% of employee's gratuity and Employees' salaries not paid.
COMMITTEE EXPENSES	69.8%	The underutilized funds forms part of 30.2% of M&E allowances and committee sitting allowance not paid.
USE OF GOODS AND SERVICES	56.0%	The underutilized funds forms part of 44.0% of goods and services that have not been paid.
TRANSFER TO OTHER GOVT UNITS	16.9%	The underutilized funds form 83.1% of primary and secondary schools project not yet paid due to late disbursement of the fund from the board.
OVERSIGHT COMMITTEE EXPENSES	0.0%	The underutilization is as a result of money allocated for oversight committee expenses which has not yet been utilized.
OTHER PAYMENTS	0.0%	The unutilized fund is as a result of unallocated funds and AIA.
OTHER GRANTS AND TRANSFERS	76.3%	The unutilized fund forms part of 23.7% of environment, sports and tertiary bursary not yet paid.

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	77,668,642
Less undisbursed funds receivable from the Board as at 30 th June 2023	48,087,603
	29,581,039
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	44,744
Cash and Cash Equivalents at the end of the 30 th June 2023	29,625,783

The Constituency financial statements were approved by NG CDFC on 8/04/ 2024 and signed by:



Fund Account Manager

Name: Daniel Mwaluko



**National Sub-County
Accountant**

**Name: Joseph Kimani
ICPAK M/No: 15376**



Chairman NG-CDF Committee

Name: Josephat Mutisya

*Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,394,256	609,218		7,003,474	3,575,862	3,427,612
1.2 Committee allowances	2,102,628	-		2,102,628	1,767,200	335,428
1.3 Use of goods and services	6,861,000	760,295		7,621,295	4,537,998	3,083,297
Sub-total	15,357,884	1,369,513	-	16,727,397	9,881,060	6,846,337
2.0 Monitoring and evaluation						
2.1 Capacity building	-	-	-	-	-	-
2.2 Committee allowances	950,000	-	-	950,000	362,985	587,015
2.3 Use of goods and services	550,000	-	-	550,000	105,200	444,800
Sub-total	1,500,000	-	-	1,500,000	468,185	1,031,815
3.0 Emergency						
3.1 Primary Schools	5,836,818	519,414	-	6,356,232	7,379,414	(1,023,182)
3.2 Secondary schools	1,799,372	-	-	1,799,372	630,586	1,168,786
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	11,200,000	-	-	11,200,000		11,200,000

*Masinga Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sub-total	18,836,190	519,414		19,355,604	8,010,000	11,345,604
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	27,000,000	3,666,105		30,666,105	33,336,560	(2,670,455)
4.3 Tertiary Institutions	14,599,963			14,599,963	11,087,596	3,512,367
4.4 Universities	-	-		-	-	-
4.5 Social Security	3,360,000			3,360,000	3,360,000	-
Sub-total	44,959,963	3,666,105	-	48,626,058	47,784,156	841,912
5.0 Sports						
5.1 sports	2,901,752	-		2,901,752	-	2,901,752
5.2						
Sub-total	2,901,752	-	-	2,901,752	-	2,901,752
6.0 Environment						
6.1 Kasuvilo secondary School		300,000		300,000	300,000	-
6.2 ABC Kathiani Sec Schl	300,000	-		300,000	-	300,000
6.3 Kangonde Primary	300,000	-		300,000	-	300,000
6.4 Kasuvilo secondary School	300,000	-		300,000	-	300,000

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

09 APR 2024

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MASINGA CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023**

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

Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
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I. Acronyms and Glossary of terms

NG-CDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Masinga Constituency NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Daniel Mwaluko
2.	Sub-County Accountant	Joseph Kimani
3.	Chairman NG-CDFC	Josephat Mutisya
4.	Member NG-CDFC	Geoffrey Munyao

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Masinga Constituency NG-CDF. The reports and recommendation of ARMC when adopted by the NG-CDF 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) Masinga Constituency NG-CDF Headquarters

P.O. Box 121-90141,
CDF Office,
Masinga Market,
KENYA.

(e) Masinga Constituency NG-CDF Contacts

Telephone: (254) 710128510
E-mail: masingaNG-CDF@NG-CDF.go.ke
Website: www.masingacdf.go.ke

(f) Masinga Constituency NG-CDF Bankers

Bank Name	Kenya Commercial Bank.
Branch	Matuu Branch.
Account Name	Masinga Constituency NG-CDF.
Account Number	1105310906
Address	P.O. Box 36, Matuu.

(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



**Josephat Mutunga Mutisya- Chairman,
 NG-CDF Masinga Constituency.**

MASINGA Constituency is in Masinga Subcounty, Machakos County, it was created in 1988 from the larger Yatta District. The overall population by 2019 census figures were 148,522 with the population expected to grow in the next ten years.

TOTAL POPULATION			NUMBER OF HOUSEHOLDS	AVERAGE HOUSEHOLD SIZE	AREA IN KM2	POPULATION DENSITY
MALE	FEMALE	INTERSEX	36,251	4.1	1405.7	106
73,519	75,001	2				
148,522						

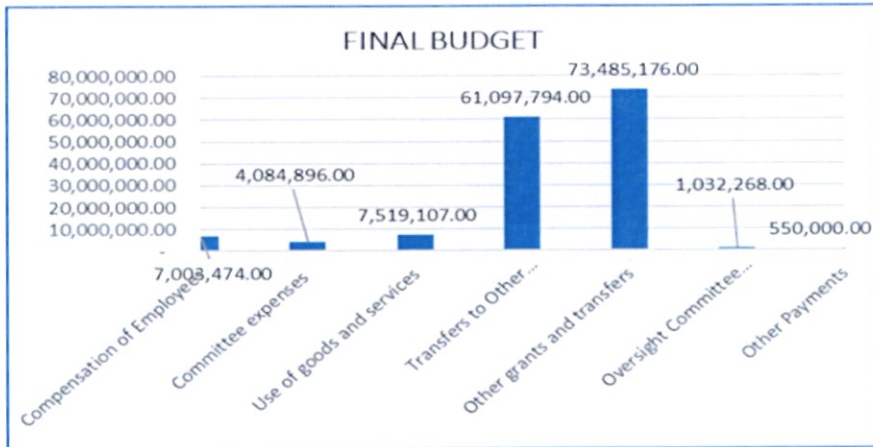
SOURCE: KNHPC (KNBS; 2019 CENSUS)

The NG-CDFC Masinga has always dedicated time to ensure prudent allocation of resources received from the NG-CDF board within the five wards of the constituency.

Key achievements

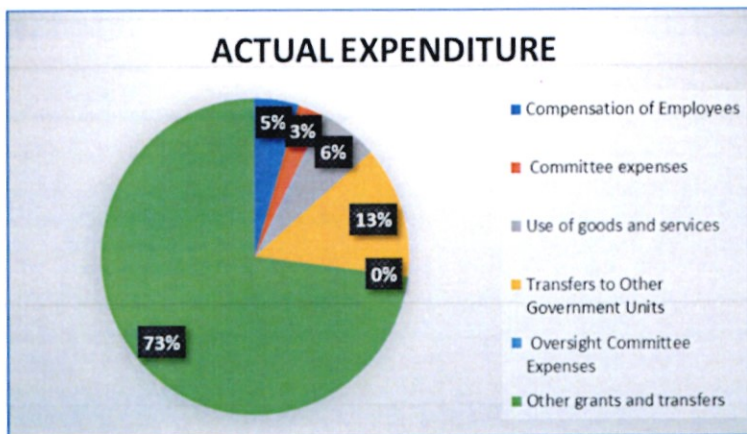
We are pleased to present to you the annual report and financial statements for the financial year 2022-2023 for Masinga Constituency on behalf of the Masinga NG-CDF committee. In the year under review, the constituency received Kshs.97,000,000.00 from the board, Ksh.105,000.00 from sale of tenders and had an opening cash book balance of Kshs.9,379,312.00 The Constituency spent Kshs.76,903,272.87 and closed with a cashbook balance of Kshs.29,581,039.00 which was 49.8% compared to last FYR 2021/2022 of 95.3% which is a slight decrease due to late release of the fund from the board.

Fig 1. Bar Graph of Final Budget for FYR 2022/2023.



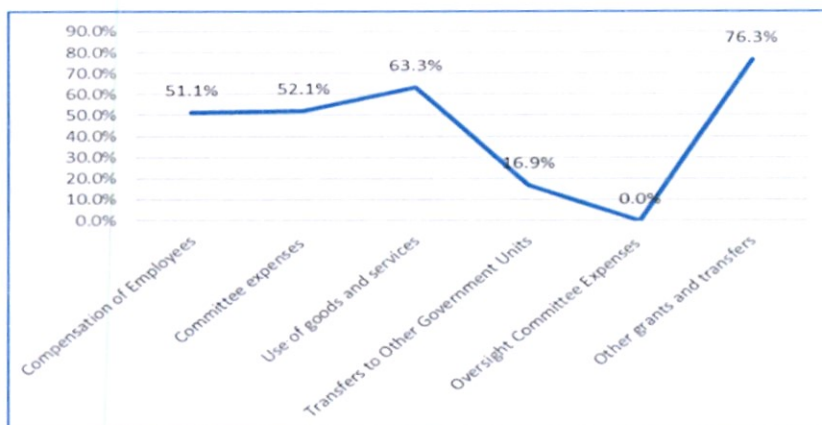
More money was allocated to other grants and transfers to finance bursary, social security programmes, environment and emergency projects.

Fig 2. Pie Chart of Percentage of Utilization for FYR 2022/2023



More money was spent on other grants and transfers in payment for bursary, social security programmes, environment and emergency projects.

Fig 3. Percentage Utilization for FYR 2022/2023.



More money was utilized in other grants and transfers.

Masinga NG-CDF in the Financial Year 2022/2023 has been able to achieve the following;

8 Primary Schools and 1 Secondary School received funding to improve infrastructure in their institutions. 1 environment project for secondary school received funding to purchase water tank and install gutters for water harvesting. 11 Primary schools and 3 secondary projects were funded from the emergency kitty to improve their infrastructure. Needy students in Secondary Schools and needy students in Tertiary institutions benefited from the Bursary Kitty.

The Masinga Staff and all the Project Management Committees underwent training to perfect their knowledge in NG-CDF operations.

The following are sample projects funded by Masinga NG-CDF:

Kikumini police post



Wambuu secondary school Dormitory.



Kikumini police post.

Improvement of infrastructure at Kikumini police post led to increase in the number of police officers deployed leading to improved security in the area and reported theft cases reduced.

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Wambo secondary school.

Construction of girls' dormitory at Wambo secondary school which accommodates 80 students creating more room for the students to stay in the school hence improving their performance.

Challenges faced during the financial year 2022/2023.

The major challenges experienced during the financial year 2022-2023 included:

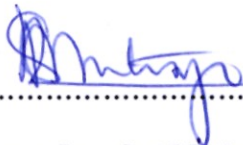
- The lack of sewer drainage/laterals within the constituency means the use of septic tanks which pushes the cost of building modern toilets high.
- Inadequate funds for capacity building, Monitoring and Evaluation of NG-CDF funded projects.
- Inadequate funds to finance Projects proposed by constituencies.

- The residents lack the knowhow of what the reconstituted NG-CDF does and hence require civic education.

The following are the recommendation and what the committee is doing to overcome them;

- The committee agreed to ensure they ensure that as time goes by, they will implement ways on how to acquire the sewer drainage upon given the permission from the necessary authority so as to lower the use of septic tanks.
- On political interference we have been able to educate the society on effect of politicizing projects. We have also ensured transparency in our implementation process from inception to completion.
- NG-CDF Board should increase funds allocated for Monitoring and Evaluation.

We look forward to improved efficiency in project implementation.



.....
Name: Josephat Mutisya

CHAIRMAN NG-CDF COMMI

Masinga Constituency
National Government Constituencies Development Fund (NG-CDF)
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IV. Statement of Performance Against Predetermined Objectives for Financial Year 2022/2023

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 *Masinga Constituency 2022-2026* plan are to:

1. Improve access to education.
2. Improve learning environment.
3. Enhance security infrastructure.
4. Enhance environmental conservation.
5. Enhance youth talents through sports.
6. Increase access to ICT infrastructure.
7. Improve organizational performance.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Increase of number of usable physical infrastructure build in primary, secondary, and tertiary institutions. Increase in number of bursary's beneficiaries at all levels	In FY 2022/2023 we increased number of classrooms in primary schools from 32 to 35, secondary classrooms from 26 to 28. The number of Secondary dormitories increased from 10 to 12 and secondary laboratories increased from 4 to 6. The number of secondary bursary beneficiaries increased from 10,000 to 13,000 and tertiary bursary beneficiaries increased from 5,000 to 6,000.
Security	To improve the working and living conditions of security personnel	Increased number of housing units and offices for security personnel	Increase of number of housing/office units built/refurbished for security personnel	In FY 2022/2023 The number of security projects increased from 8 to 11. Security projects were funded to improve their infrastructure
Environment	To enhance environmental	Increased environmental	Number of trees planted and	In FY 2022/2023 We planted 10,000 trees to

Masinga Constituency

National Government Constituencies Development Fund (NG-CDF)

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	conservation	activities such as control of soil erosion through construction of gabions and planting of trees.	gabions constructed	conserve the environment.
Sports	To build and enhance youth talents through sports.	Increased number of youths involved in gainful activities.	Number of clubs that benefited from sports activities	In FY 2022-2023 10 football clubs benefited from the sports kitty by being awarded with uniforms, boots, trophies and certificates.
Emergency	To cater for any unforeseen occurrences within the constituency	Ensure that the constituency is conducive to the people especially in times of emergency occurrences	Increase in the number of schools and security projects that benefited from the emergency kit.	In FY 2022/23 the number of schools that benefitted from emergency kit increased from 30 to 44.

V.STATEMENT OF GOVERNANCE

Process of appointment of NG-CDFC committee

NG-CDFC is appointed pursuant to section 43(1), (2), (3) (4) and (5) of the National constituency's development fund (NG-CDF) Act as follows: -

1. In case of the person living with disability, the fund account manager shall write to a registered group representing persons with disabilities in the constituency requesting of one person with disability to sit in the NG-CDF committee. The nominating organization shall be required to provide specific description of the kind of disability and provide necessary support to facilitate full participation of the nominee in the various activities of the fund.
2. Members of the public are invited to tender applications to be appointed as a NG-CDFC committee with requisite qualifications as per the NG-CDF Act.
3. The selection panel shall sit and analyse applications based on age, gender, special interest groups and regional balance.
4. Obtain from the constituency office manager via formal written communication names of two nominees to the NG-CDF committee one being of either gender.
5. Ensure that the original report of the selection panel duly signed by all members of the panel, original letter from the constituency office manager forwarding two nominees to the NG-CDF committee one being of either gender, original letter and copies of minutes of the meeting of the meeting of the body nominating person with disability to NG-CDF committee ,copies of national identity cards of all the nominees, the long list and short listing criteria ,and three colour passport size photographs of each of the respective nominees are attached to the list submitted to the board.
6. The final report shall be properly bound containing pertinent documents following the sequence of the checklist provided.
7. For avoidance of doubt the two persons to be nominated by the constituency office to sit in the selection panel and the two persons nominated by the same office to sit in the NG-CDF committee shall be drawn from community and not serving public offices.

The Masinga NG-CDF fund manager constituted a selection panel by writing to the deputy county commissioner to appoint a representative to chair the meeting and the constituency officer to appoint two members of either gender to sit in selection panel with the fund manager being the secretary.

The selection panel invited interested members of the public to apply for the positions and wrote to the constituency office manager to nominate two persons of either gender and the umbrella body of persons living with disability to nominate one person. Shortlisting was done and interview conducted. Five members were recommended for membership to the NG-CDF committee, two nominees received from the constituency office and one member from the umbrella body of persons living with disability. The fund manager forwarded the list of nominees to the board to be forwarded for gazettelement of the NG-CDFC members which was done on 16th December 2022 with inaugural meeting held on 29th December 2022 where chairman and secretary were elected.

Removal NG-CDFC members

NG-CDF Act section 43 (13) and (14) of the act specifies the process of the removal of members of NG-CDFC a complaint against a member.

A complaint against a member of a committee shall be deposited with the National government constituency office.

The complaint shall clearly set out the particulars of the issues complained of.

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The secretary shall convene a special meeting in accordance with the regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.

If at a meeting held pursuant to paragraph 4, members determine that sufficient grounds exist requiring the members against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice.

That person is supposed to respond in writing and if he/she fails to do the same a decision will be reached by the committee and this is communicated to the board in fourteen days.

In the financial year 2022/2023, no member was removed from the committee.

Functions of committee.

Under the Act NG-CDFC is mandated to do the following: -

1. Deliberate on all proposals from all wards in the constituency
2. Consult with relevant government departments to ensure that the cost estimate for the projects is as realistic as possible.
3. Rank project proposals in order of priority provided that ongoing projects shall take precedence
4. Ensure the projects proposed for funding comply with the Act.
5. Monitor the implementation of projects
6. Recommend to the board the removal of a member of the NG-CDFC in the line with section 24 sub sections 14-16 of the act.

Induction/training

Upon appointment of the new members of the committee induction training shall be conducted by the relevant government departments for the committee to know and understand the NG-CDF act and also their roles in the fund.

There after a complete training of the NG-CDFC shall take place to enable the committee to an in-depth knowledge of the fund in order to discharge their responsibilities effectively.

The fund manager organized a training for the NG-CDF committee which was held on 13th February 2023 to educate them on their duties and responsibilities and their code of conduct.

Number meetings in a year

The Act stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less twelve including sub-committee meetings. In the financial year 2022/2023, the Masinga NG-CDF committee held 12 meetings.

Policy on conflict of interest

NG-CDF Act specifies clearly the any member with an interest in the fund shall not participate in a meeting deliberation on the fund is made and shall withdraw in such a meeting or resign from being a committee member. In the financial year 2022/2023, Masinga NG-CDF committee had no issues on conflict of interest.

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Members remuneration.

NG-CDF act specifies remuneration of the members of the committee as follows:-

1. Each member shall receive an allowance of ksh.5, 000 and the chair of the constituency fund will receive ksh.7, 000 per sitting. Each member of Masinga NG-CDFC received allowance of Ksh.5,000 with the chair receiving sitting allowances of Ksh.7,000.

Member's ethics and conduct

The Act stipulate that member shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention of the act and PFM act which can lead to the loss of funds. The Masinga NG-CDFC members code of conduct was good.

Risk management

It is the responsibility of the members of the committee to be extra vigilant to ensure that risks likely to cause loss of fund are mitigated and proper controls are put in place in the process of implementation of the NG-CDF projects. When implementing projects, Masinga NG-CDF committee ensured that risks likely to cause loss of fund were avoided.

VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Masinga 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; NG-CDF 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.

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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

- As part of Environmental Conservation activity and in implementing the Masinga Constituency NG-CDF strategic plan 2022-2026 we embarked on drilling borehole and purchasing ten thousand liters tanks in different primary schools and construct the tank bases and metallic gutters which will be used in irrigation.
- The NG-CDF staff also participated in planting trees in the financial year 2022/2023 to better the environment and encouraged the members of the society to plant more trees.

3. Employee welfare

We invest in providing the best working environment for our employees. Masinga constituency recruitment is guided by Employment Act, NG-CDF 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 are 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. Masinga 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. Marketplace practices-

Masinga NG-CDF Constituency is committed to fair and ethical market practises.

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

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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.

NG-CDF 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-

Masinga NG-CDF 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.

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


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Name: Daniel Mwaluko.

Fund Account Manager.

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.5 Kikule Secondary	300,000	-	-	300,000	-	300,000
6.6 Kitangani Primary	400,000	-	-	400,000	-	400,000
6.7 Masaku Secondary	301,752	-	-	301,752	-	301,752
6.8 Miangeni Primary	400,000	-	-	400,000	-	400,000
Sub- total	2,301,752	300,000	-	2,601,752	300,000	2,301,752
7.0 Primary Schools Projects (List all the Projects)						
Kiambani Primary School	-	1,000,000	-	1,000,000	1,000,000	-
Kaonyweni Primary School	-	200,000	-	200,000	200,000	-
Kamangulu Primary School	1,600,000	-	-	1,600,000	1,600,000	-
Eng. D.M Primary School	300,000	-	-	300,000	300,000	-
Wamboo Primary School	1,800,000	-	-	1,800,000	145,604	1,654,396
Mavia maiu Primary School	1,800,000	-	-	1,800,000	1,800,000	-
Makila Primary School	1,800,000	-	-	1,800,000	1,800,000	-
Makongeni Primary School	1,600,000	-	-	1,600,000	1,600,000	-
Kwasuvu Primary	500,000	-	-	500,000	-	500,000
Uvaini Primary	1,200,000	-	-	1,200,000	-	1,200,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ndatani Primary	1,200,000	-	-	1,200,000	-	1,200,000
Tulimyumbu Primary	600,000	-	-	600,000	-	600,000
Katisaa Primary	500,000	-	-	500,000	-	500,000
Lulamba Primary	2,500,000	-	-	2,500,000	-	2,500,000
Greenhill Primary	2,500,000	-	-	2,500,000	-	2,500,000
Kwakatuta Primary	2,500,000	-	-	2,500,000	-	2,500,000
Mukayauni Primary	2,500,000	-	-	2,500,000	-	2,500,000
Miangeni Primary	2,500,000	-	-	2,500,000	-	2,500,000
Ekalakala Primary	2,000,000	-	-	2,000,000	-	2,000,000
Matithini Primary	1,600,000	-	-	1,600,000	-	1,600,000
Kwambo Primary	1,800,000	-	-	1,800,000	-	1,800,000
Uvaini Primary	2,000,000	-	-	2,000,000	-	2,000,000
Tulimyumbu Primary	1,200,000	-	-	1,200,000	-	1,200,000
Mathenge Primary	1,500,000	-	-	1,500,000	-	1,500,000
Masinga Primary	2,000,000	-	-	2,000,000	-	2,000,000
Utithini Primary	2,000,000	-	-	2,000,000	-	2,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	39,500,000	1,200,000	-	40,700,000	8,445,604	32,254,396
8.0 Secondary Schools Projects (List all the Projects)						
Kaonyweni Sec School	-	1,900,000	-	1,900,000	1,900,000	-
Musingini Sec	5,298,897	-	-	5,298,897	-	5,298,897
Ielanthi Sec	5,298,897	-	-	5,298,897	-	5,298,897
Mikuyuni Sec	3,000,000	-	-	3,000,000	-	3,000,000
Ngukemwe Sec	900,000	-	-	900,000	-	900,000
Masinga girls Sec	4,000,000	-	-	4,000,000	-	4,000,000
Total	18,497,794	1,900,000	-	20,397,794	1,900,000	18,497,794
9.0 Tertiary institutions Projects (List all the Projects)						
9.1	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
10.0 Security Projects						
10.1	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
11.0 Acquisition of assets						
Purchase of fridge	-	4,200.00	-	4,200	4,200	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Purchase of projector	-	4,040.00	-	4,040	4,040	-
NG-CDF OFFICE	-	171,041.00	-	171,041	169,884	1,157
Sub-total	-	179,281	-	179,281	178,124	1,157
12.0 Oversight Committee Expenses						
unutilized	1,032,268	-	-	1,032,268	-	1,032,268
Sub-total	1,032,268	-	-	1,032,268	-	1,032,268
13.0 Others						
13.1 Strategic Plan	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Funds pending approval	200,000	350,000	-	550,000	-	550,000
Sub-total	200,000	350,000	-	550,000	-	550,000
Total	145,087,603	9,484,312	-	154,571,915	76,903,273	77,668,642

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 NG-CDF-Masinga Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NG-CDF 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 30 June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
B140652		15,000,000
B105204		34,188,879
B105507		68,000,000
B105980		10,000,000
B128615		16,000,000
B128928		26,000,000
B154125		17,088,879
A895040		200,000
B185169	7,000,000	
B185709	21,000,000	
B206024	5,000,000	
B206471	12,000,000	
B205816	12,000,000	
B207578	20,000,000	
B207744	20,000,000	
TOTAL	97,000,000	186,477,758

2. Proceeds From Sale of Assets

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

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Notes To the Financial Statements (Continued)

3. Other Receipts

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	105,000	245,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	105,000	245,000

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,163,890	2,145,382
Personal allowances paid as part of salary		
House Allowance	440,000	216,000
Transport Allowance	188,000	384,000
Leave allowance	35,000	35,000
Gratuity to contractual employees	440,768	533,770
Employer Contributions Compulsory national social security schemes	222,804	90,720
NHIF	85,400	-
Total	3,575,862	3,404,872

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	684,800	1,193,800
Other committee expenses	1,445,385	3,041,600
Total	2,130,185	4,235,400

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

	2022/2023	2021/2022
	Kshs	Kshs
Utilities, supplies and services	69,572.60	289,299
Communication, supplies and services	913,850.00	18,248
Domestic travel and subsistence	1,860,500.00	518,600
Printing, advertising and information supplies & services	-	70,592
Rentals of produced assets	-	-
Training expenses	55,000.00	360,200
Hospitality supplies and services	74,083.00	-
Insurance costs	246,000.00	299,341
Specialised materials and services	-	-
Office and general supplies and services	853,518.00	1,466,758
Fuel, oil & lubricants	350,000.00	441,666
Other operating expenses	53,300.00	817,742
Bank Charges	103,519.07	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	57,512
Routine maintenance- other assets	-	-
Total	4,579,342.67	4,339,958

7. Transfer To Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools	8,445,604	40,050,625
Transfers To Secondary Schools	1,900,000	54,930,449
Transfers To Tertiary Institutions	-	-
Total	10,345,604	94,981,074

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Notes To The Financial Statements (Continued)

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools	33,336,560	32,446,520
Bursary – tertiary institutions	11,087,596	22,660,429
Bursary – special schools	-	3,360,000
Mock & CAT	-	-
Social Security programs (NHIF)	3,360,000	-
Security projects	-	9,273,000
Sports projects	-	2,608,200
Environment projects	300,000	600,000
Emergency projects	8,009,999	6,715,000
Roads projects	-	-
Total	56,094,156	77,663,150

9. Acquisition Of Assets

	2022/2023	2021/2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	169,884.30	1,433,532
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	4,200.00	-
Purchase of ICT Equipment, Software and Other ICT Assets	4,039.00	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	178,123.30	1,433,532

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Notes To the Financial Statements (Continued)

10. Oversight Committee Expenses

	2022-2023	Insert Previous FY
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
Total	-	-

11. Other Payments

	2022-2023	Insert Previous FY
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Electricity	-	4,000,000
Total	-	4,000,000

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Kenya Commercial Bank,A/C no.1105310906 , Branch . Matuu (main account)</i>	29,625,783	9,379,312
Kenya Commercial Bank,A/C no. Branch . (deposit account)	-	-
Total	29,625,783	9,379,312
12 B: Cash on Hand		
Location 1	-	-
Other Locations	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

13. Outstanding Imprests

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

14. Retention and Gratuity

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

14 B. Gratuity	2022/2023	2021/2022
	KShs	KShs
Gratuity as at 1 st July (A)	166,230.00	166,230
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	166,230.00	166,230.00

15. Fund Balance Brought Forward.

	(1st July 2022-1)	(1st July 2021-2)
	Kshs	Kshs
Bank accounts	9,379,312	12,714,540
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	9,379,312	12,714,540

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Notes to the Financial Statement Continued

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	9,379,312	44,744	9,424,056
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (reversal of stale cheques)	-	-	-
Total	9,379,312	44,744	9,424,056

17. Changes In Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022/2023	2021/2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

	2022/2023	2021/2022
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	2022/2023	2021/2022
	Kshs	Kshs
Compensation of employees	3,427,612.00	609,219
Committee expense	922,443.00	-
Use of goods and services	3,591,952.33	824,149
Amounts due to other Government entities (see attached list)	50,752,190.00	3,100,000
Amounts due to other grants and other transfers (see attached list)	17,391,020.10	4,485,519
Acquisition of assets	1,156.70	179,280
Oversight Committee Expenses	1,032,268.00	-
Funds pending approval	550,000.00	245,000.00
Total	77,668,642.13	9,443,167.00

18.4: PMC account balances (See Annex 5)

	2022/2023	2021/2022
	Kshs	Kshs
PMC account balances (see attached list)	13,663,625	36,520,032
Total	13,663,625	36,520,032

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.	-		-	-	
Sub-Total	-		-	-	
Construction of civil works					
2.	-		-	-	
Sub-Total					
Supply of goods					
3.	-		-	-	
Sub-Total	-		-	-	
Supply of services					
4.	-		-	-	
Sub-Total	-		-	-	
Grand Total	-		-	-	

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1.			-	
Sub-Total			-	
Grand Total			-	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	Funds allocated for the payment of staff salaries, gratuity, NHIF and NSSF.	3,427,612	609,218	Funds budgeted to be used in payment of staff salaries in the months of July, August and September payments awaiting 2023/2024 disbursement.
Committee expenses	Facilitation/ committee sitting allowances.	922,443	0	Funds budgeted to be used in payment of committee allowances in the months of July, August and September awaiting 2023/2024 disbursement.
Use of goods & services	General office supplies	3,591,952	760,295	The unutilized funds are as a result of funds allocated for goods and services that are yet to be tendered.
Sub-Total		7,942,007		
Amounts due to other Government entities				
primary schools				
Wamboo Primary School	Renovation of four classrooms.	1,654,396	-	Funds not yet disbursed.
Kwasuvu Primary	Purchase of office furniture.	500,000	-	Funds not yet disbursed.
Uvaini Primary	Construction of a new classroom.	1,200,000	-	Funds not yet disbursed.
Ndatani Primary	Construction of a new classroom.	1,200,000	-	Funds not yet disbursed.
Tulimyumbu Primary	Purchase of lockers and desks.	600,000	-	Funds not yet disbursed.
Katisaa Primary	Construction of 3 door toilet.	500,000	-	Funds not yet disbursed.

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Lulamba Primary	Construction of laboratories.	2,500,000	-	Funds not yet disbursed.
Greenhill Primary	Construction of laboratories.	2,500,000	-	Funds not yet disbursed.
Kwakatuta Primary	Construction of laboratories.	2,500,000	-	Funds not yet disbursed.
Mukayauni Primary	Construction of laboratories.	2,500,000	-	Funds not yet disbursed.
Miageni Primary	Construction of laboratories.	2,500,000	-	Funds not yet disbursed.
Ekalakala Primary	Reroofing of five classrooms.	2,000,000	-	Funds not yet disbursed.
Matithini Primary	Reroofing of four classrooms.	1,600,000	-	Funds not yet disbursed.
Kwamboo Primary	Renovation of four classrooms.	1,800,000	-	Funds not yet disbursed.
Uvaini Primary	Construction of administration block.	2,000,000	-	Funds not yet disbursed.
Tulimyumbu Primary	Reroofing of three classrooms.	1,200,000	-	Funds not yet disbursed.
Mathenge Primary	Reroofing of four classrooms.	1,500,000	-	Funds not yet disbursed.
Masinga Primary	Reroofing of five classrooms.	2,000,000	-	Funds not yet disbursed.
Utithini Primary	Reroofing of five classrooms.	2,000,000	-	Funds not yet disbursed.
Kiambani Primary School	Reroofing of three classrooms.	-	1,000,000	Funds already utilized.
Kaonyweni Primary School	Purchase of desks.	-	200,000	Funds already utilized.
Secondary Schools				
Musingini Sec	Construction of dormitory.	5,298,897	-	Funds not yet disbursed.
Ielanthi Sec	Construction of		-	Funds not yet disbursed.

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	dormitory.	5,298,897		
Mikuyuni Sec	Construction of laboratory.	3,000,000	-	Funds not yet disbursed.
Ngukemwe Sec	Construction of five door toilet.	900,000	-	Funds not yet disbursed.
Masinga girls Sec	Construction of administration block.	4,000,000	-	Funds not yet disbursed.
Kaonyweni Sec School	Construction and equipping one classroom.	-	1,900,000	Funds already utilized.
Sub-Total		50,752,190	3,100,000	
Amounts due to other grants and other transfers				
Emergency.	To cater for unforeseen occurrences.	145,604	519,414	Projects are ongoing.
Security projects				
3.4 Security projects	Construction of chief's offices and completion of police station.	11,200,000	-	Funds not yet disbursed.
Bursary.				
4.1 Secondary Schools	Allocation of bursary to needy students in secondary schools.	-	3,666,105	Funds already utilized.
4.2 Tertiary Institutions	Allocation of bursary to needy students in tertiary institutions.	841,912		Award of bursary still ongoing.
Sports				
5.1 Sports	To Carry out constituency sports tournament.	2,901,752	-	Funds not yet disbursed.

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Environment				
Kasuvilo Secondary school	Roof water harvesting	-	300,000	Funds already utilized.
ABC Kathiani Sec Schl	Roof water harvesting	300,000	-	Funds not yet disbursed.
Kangonde Primary	Roof water harvesting	300,000	-	Funds not yet disbursed.
Kasuvilo secondary School	Roof water harvesting	300,000	-	Funds not yet disbursed.
Kikule Secondary	Roof water harvesting	300,000	-	Funds not yet disbursed.
Kitangani Primary	Roof water harvesting	400,000	-	Funds not yet disbursed.
Masaku Secondary	Roof water harvesting	301,752	-	Funds not yet disbursed.
Miangeni Primary	Roof water harvesting	400,000	-	Funds not yet disbursed.
Sub-Total		17,391,020	4,485,519	
Acquisition of assets				
Purchase of fridge	Purchase of fridge.	-	4,200	Funds already utilized.
Purchase of projector	Projector for office use.	-	4,040	Funds already utilized.
NG-CDF OFFICE	Completion of NG-CDF office.	1,157	171,041	Funds already utilized.
Sub-Total		1,157	179,281	
Oversight Committee Expenses	Facilitation allowances	1,032,268	-	Funds not yet disbursed.
Sub-Total		1,032,268	-	
Funds pending approval	AIA and unallocated	550,000	245,000	Funds awaiting approval from the board.
Grand Total		77,668,642	9,379,312	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	200,000.00	-		200,000.00
Buildings and structures	19,641,741	169,884.30	-	19,811,625.30
Transport equipment	10,700,000	-	-	10,700,000.00
Office equipment, furniture and fittings	4,812,190	-	-	4,812,190.00
ICT Equipment, Software and Other ICT Assets	1,323,465	4,039.00	-	1,327,504.00
Other Machinery and Equipment	450,000	4,200.00	-	454,200.00
Heritage and cultural assets	-		-	-
Intangible assets	-		-	
Total	37,127,396	178,123	-	37,305,519

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

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kathiani Primary School	KCB Matuu	1313829919	500,010	-
Uvaini Primary School	KCB Matuu	1313948381	500,010	-
Kanyonga Primary School	KCB Matuu	1313830011	900,010	-
Kwakaindi Primary School	KCB Matuu	1314360817	305,385	-
Kamangulu Primary School	KCB Matuu	1296377458	1,400	1,400,000

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Makila Primary School	KCB Matuu	1288345151	1,800,671	698,978
Mavia Maiu Primary School	KCB Matuu	1285534611	1,800,779	698,809
Makongeni Primary School	KCB Matuu	1283654652	1,600,332	497,744
Kanguu Primary School	KCB Matuu	1314648829	1,260,010	-
Mukameni Primary School	KCB Matuu	1294867652	500,500	34,626
Wambo Primary School	KCB Matuu	1292635851	179,284	1,398,975
St. Martin De-Porres Pri Sch	KCB Matuu	1313829285	49,200	-
Eng. D.M. Mutuku Pri Schl	KCB Matuu	1294112708	1,663	1,050,000
Kavilila Primary School	KCB Matuu	1316316289	900,000	-
Kangundu Primary School	KCB Matuu	1313896705	900,010	-
Mutembuku Primary School	KCB Matuu	1313895733	515,027	-
Murifarm Primary School	KCB Matuu	1292506024	354	79,813
Kakuku Primary School	KCB Matuu	1292635053	15,246	110,135
Ndovoini Primary School	KCB Matuu	1292678747	341	97,593
Kwakaindi Primary School	KCB Matuu	1292634758	6,877	401,456
Musingini Primary School	KCB Matuu	1292096365	18,014	92,921
Kathiani Primary School	KCB Matuu	1293236241	10,639	104,675
Mananja Police Post	KCB Matuu	1294933388	281	31,759
Mikunyuni Primary School	KCB Matuu	1293944904	14,836	55,520
Kithoni Primary School	KCB Matuu	1292333057	411	37,126

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Ndithini Primary School	KCB Matuu	1292098481	874	69,443
Kakuku Primary School	KCB Matuu	1292635339	484	70,559
Kithoni Primary School	KCB Matuu	1293484180	4,324	998,975
Nzii Primary School	KCB Matuu	1292688548	922	103,062
Ngomola Primary School	KCB Matuu	1287292925	1,286	71,168
Tana Ranch Primary School	KCB Matuu	1285640284	874	66,456
Kiambani Primary School	KCB Matuu	1294389629	46,155	57,933
Kavwea Primary School	KCB Matuu	1285351312	208	49,334
Kamaimba Primary School	KCB Matuu	1295359553	1,169	70,162
Katulye Primary School	KCB Matuu	1294670778	91,513	103,675
Kivutini Primary School	KCB Matuu	1294389831	563	70,646
Kivuthi Primary School	KCB Matuu	1292635754	37,526	493,975
Kwambo Primary School	KCB Matuu	1285939778	15,639	700,000
Kwasuvi Primary School	KCB Matuu	1293692956	18,018	533,233
Manguli Primary School	KCB Matuu	1295404745	1,893	71,804
Masaku Primary School	KCB Matuu	1285705831	438	771,617
Mbusyani Primary School	KCB Matuu	1294670697	1	68,399
Mikameni Primary School	KCB Matuu	1284735559	30,946	381,683
Milaani Primary School	KCB Matuu	1294899589	436	70,403
Misewani Primary School	KCB Matuu	1286489733	502	48,161

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Mukusu Primary School	KCB Matuu	1284368491	24,724	144,903
Musingini Primary School	KCB Matuu	1292096365	18,014	92,921
Musumaa Primary School	KCB Matuu	1292434678	946	70,945
Ndelekeni Primary School	KCB Matuu	1294475258	222	70,148
Ndithini Primary School	KCB Matuu	1292098481	874	69,443
Ndovoini Primary School	KCB Matuu	1292678747	341	97,593
Tumutumumu Primary School	KCB Matuu	1294670735	669	52,795
Twamakaa Primary School	KCB Matuu	1286396964	553	129,679
Ulutya Primary School	KCB Matuu	1285457390	287	69,413
Nunguni Primary School	KCB Matuu	1283297035	56,658	647,467
Mutwamwaki Primary School	KCB Matuu	1279338709	689	44,821
Ielanthe Secondary School	KCB Matuu	1293693154	42,653	292,528
St.John Iiani Secondary School	KCB Matuu	1293201804	269	245,602
Kasuvilo Secondary School	KCB Matuu	1255041161	8,180	388,074
Masinga Boys School(Renovation)	KCB Matuu	1293723959	-	1,050,000
Mathauta Secondary School	KCB Matuu	1293692654	3,940	368,533
Musingini Secondary School	KCB Matuu	1293638110	41,922	291,923
Kyeeteni Secondary School	KCB Matuu	12792551867	140,140	277,591
Kaonyweni Secondary School	KCB Matuu	1257848747	50,858	142,449
Musumaa Secondary School	KCB Matuu	1160184615	70,349.	1,391,959

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Iiani Secondary School	KCB Matuu	1294871528	751	332,795
Ekalakala Ass County Comm	KCB Matuu	1257706284	18,989	361,241
Kivaa Chief's Office	KCB Matuu	1293693243	532	32,158
Kikumini Police Post	KCB Matuu	1285229940	11,397	501,145
Kaonyweni Primary School	KCB Matuu	1289032432	12,304	62,699
Katothya Primary School	KCB Matuu	1283916746	473	599
Kiangeni Primary School	KCB Matuu	1233730932	-	326,273
Kituneni-Kivaa Primary School	KCB Matuu	1277092214	-	105,565
Kituneni-Kivaa Primary School	KCB Matuu	1277092109	56,467	57,658
Kwakalunde Primary School	KCB Matuu	1253398313	4,278	1,510,395
Kwakalunde Primary School	KCB Matuu	1279204235	-	95,272
Kyaani Primary School	KCB Matuu	1239414277	4,184	69,985
Mananja Primary School	KCB Matuu	1270085212	-	72,217
Manguli Primary School	KCB Matuu	1283883740	299	102,970
Masinga Primary School	KCB Matuu	1285538250	272	398
Muthesya Primary School	KCB Matuu	1279720123	663	633,310
Tulimyumbu Primary School	KCB Matuu	1252536054	137,378	439,493
Iuuma Secondary School	KCB Matuu	1257960911	17,052	244,018
Wambo Secondary School	KCB Matuu	1278134328	16,273	2,265,084
Kiatineni Secondary School	KCB Matuu	1279211660	102,584	1,498,990

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kwawanzilu Secondary School	KCB Matuu	1276930690	633	759
Kwawanzilu Secondary School	KCB Matuu	1268694274	2,678	177,700
Kaseve Secondary School	KCB Matuu	1279012056	145,350	740,204
Kamunyu Scondary School	KCB Matuu	1257676792	2,148	2,002,330
Kiseuni Secondary School	KCB Matuu	1252341296	201,421	1,421,932
Kituneni Secondary School	KCB Matuu	1258174987	63,790	1,708,289
Masinga Boys School	KCB Matuu	1294911678	1,034	2,500,012
Murifarm Secondary School	KCB Matuu	1293308188	64	332,795
Kikumini Asst. Chiefs Office	KCB Matuu	1285354192	21,321	187,437
Acc Kiatineni	KCB Matuu	1258914778	4,773	4,773
Mikuyuni Asst. Chiefs Office	KCB Matuu	1285351991	177,590	800,000
Masinga Administration Police	KCB Matuu	1285348761	128,562	129,753
Kaewa Asst. Chiefs Office	KCB Matuu	1240348703	-	1,295
Kivuthi Asst. Chiefs Office	KCB Matuu	1284395421	236	167,848
Masinga Youth Empowerment	KCB Matuu	1278326405	32,780	33,032
Total			13,663,625	36,520,032

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Annex 6: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report OAG/LER/NG-CDF/MASINGA/2021/2022/ (31)	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe.
OAG/LER/NG-CDF/MASINGA/2021/2022/ (31)	Inaccuracies in the financial statements resulting from unexplained variance of 12,959,540	The errors have been rectified and the financial statements amended accordingly.	Resolved	
OAG/LER/NG-CDF/MASINGA/2021/2022/ (31)	Accuracy of other grants and transfers.	The disparity was as a result of bursary award to bright students.	Resolved	
OAG/LER/NG-CDF/MASINGA/2021/2022/ (31)	Un-Surrendered PMC closing Balances amounting to 36,520,032.	Un-surrendered PMC bank balances were transferred to the main account after the closure of the year	Resolved	
OAG/LER/NG-CDF/MASINGA/2021/2022/ (31)	Inaccurate disclosure of bank balances resulting from stale cheques some dating back to 20 th January 2020.	Bursary cheques were reversed, income from KRA updated in cashbook and the bank charges were recorded after the closure of the financial year.	Resolved	
OAG/LER/NG-CDF/MASINGA/2021/2022/ (31)	Lack of risk management policy and disaster recovery plan.	Development of risk management policy and disaster recovery plan is underway.	Not resolved	December 2023



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Name: Daniel Mwaluko.
Fund Account Manager.