

REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2024	DAY OF WEDNESDAY
TABLED BY:	THE AUDITOR-GENERAL MAJORITY PARTY WHIP
CLERK-AT THE TABLE:	MOSES LOMALE

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KABUCHAI
CONSTITUENCY**

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



KABUCHAI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

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I. Acronyms and Abbreviations

Provide a list of all applicable acronyms and abbreviation e.g.

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-

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 Kabuchai Constituency NGCDF day-to-day management is under the following key organs:

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

*Kabuchai Constituency
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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	Joyce Wanajala
2.	Sub-County Accountant	Mildred Nasimiyu Barasa
3.	Chairman NGCDFC	Charles Sirengo
4.	Member NGCDFC	Douglas Munyasia

(c) Fiduciary Oversight Arrangements

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

(d) Kabuchai Constituency NGCDF Headquarters

P.O. Box 120 - 50202
NG CDF Offices, Musese
Chwele, KENYA

(e) Kabuchai Constituency NGCDF Contacts

Telephone: (254) 722245551
E-mail: cdfkabuchai@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Kabuchai Constituency NGCDF Bankers

The Cooperative Bank (01141536140900)
Bungoma Branch
P.o Box 1964
Bungoma, Kenya.

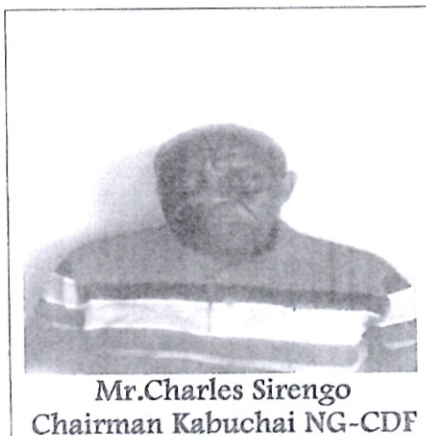
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



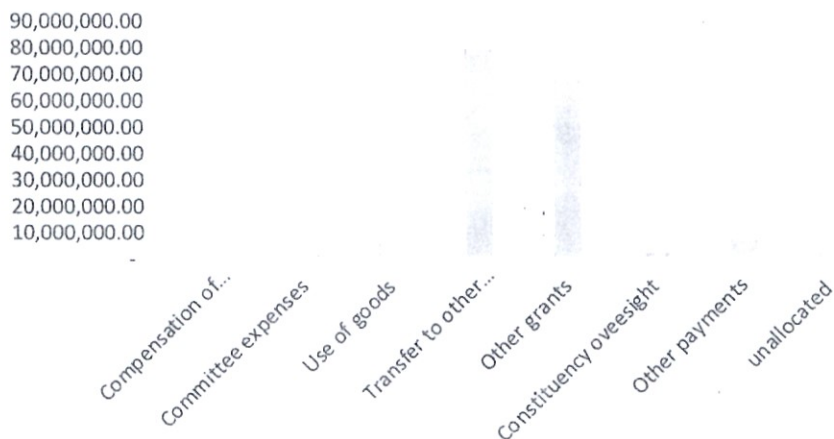
I feel privileged to have this opportunity of submitting our financial statement for the Financial Year 2022/2023 in line with the requirement of the NG-CDF Act 2015.

In the financial year 2022/2023, the constituency had an original budget of ksh.138, 215,033 (One hundred and thirty eight thousand, two hundred and fifteen thousand, and thirty three), balance brought forward of Ksh 15,503,819 (Fifteen million, five hundred and three thousand, eight hundred and nineteen), AIA Ksh 100,000 (one hundred thousand), adjustments from the previous year were Ksh 15,475,818 (Fifteen million, four hundred and seventy five thousand, eight hundred and eighteen), leading to a final budget of Ksh. 169,294,670 (one hundred and sixty nine million, two hundred and ninety four thousand, six hundred and seventy) as represented in the table below;

Compensation of employees	5,290,847
Committee expenses	2,500,000
Use of goods	6,252,115
Transfer to other government	79,678,916
Other grants	66,931,535
Constituency oversight	1,382,150
Other payments	5,838,514
unallocated	1,420,593
Total	169,294,670

Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
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KABUCHAI NG CDF FINAL BUDGET 2022/2023



In the financial year under review, the constituency received Ksh. 87,000,000 (Eighty seven million) from the Board, in addition to the cash book balance of Ksh 15,503,819 (fifteen million, five hundred and three thousand, eight hundred and nineteen), leading to a total of Ksh 102,503,818 (one hundred and two million, five hundred and three thousand, eight hundred and eighteen). However, the constituency was able to utilize Ksh. 100,762,154 (one hundred million, seven hundred and sixty two thousand, one hundred and fifty four.) as represented in the table and graph below;

Compensation of employees	4,432,205
Committee expenses	1,718,000
Use of goods	4,821,157
Transfer to other government	38,621,642
Other grants	48,755,236
Other payments	2,413,914
Total	100,762,154

KABUCHAI NG CDF ACTUAL UTILIZATION
2022/2023



Kabuchai Constituency

National Government Constituencies Development Fund (NGCDF)

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

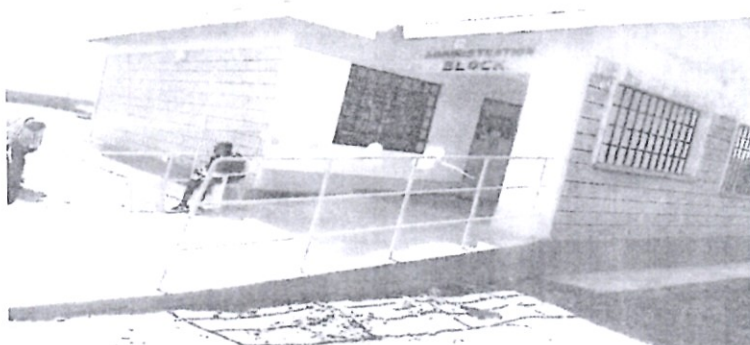
Over the years, the Kabuchai NG-CDF has promptly disbursed funds to the Project Management Committee's (PMC's) for implementation of various projects. We have consequently recorded tremendous progress in various sectors as follows: -

1. Many need and vulnerable children have accessed education through the bursary schemes,
2. Construction of classrooms, laboratories, dormitories, and libraries and computer rooms has enhanced provision of quality education.
3. Promotion of environmental conservation, Aids awareness, sensitization on drug and substance abuse as well as promotion of Youth Sports,
4. The funds have also been used to provide security facilities.

The following are some of our success stories;



BUSAKALA SECONDARY SCHOOL – CONSTRUCTION OF LIBRARY



KUYWA SPECIAL PRIMARY SCHOOL – CONSTRUCTION OF ADMINISTRATION BLOCK

However, the implementation of such projects has not gone without challenges;

1. Lack of sufficient funds as needs is limitless.
2. The problem of bit funding has slowed the period of completion of projects.
3. Lack of partners for co-funding has also been a challenge.

The entity is striving to prioritize projects and implement as stipulated in the strategic plan to ensure priority projects are funded and implemented to completion.

Finally we appreciate the role NG-CDF is playing in our development and it is my hope that it will be retained to continue serving as a vehicle for economic development of our country.

.....*Charles Sirengo*.....

**CHARLES SIRENGO
CHAIRMAN NGCDF COMMITTEE**

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

Introduction

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

The key development objectives of *Kabuchai Constituency 2022-2027 plan* are to:

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:

s	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	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 22/23 -we increased number of classroom by 19 - Bursary beneficiaries' secondary 8,456 students, tertiary institutions beneficiaries 1,502 student
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	In the FY 22/23 we completed the ACC office Kabuchai division. Approved construction of pit latrines in police Post office of the renovation of DCC office .
Environment	Environment	Improve access to clean water and a more sustainable conserved environment through natural	Enhanced conservation and restoration of forest and environment	In the financial year 2022/2023, Kabuchai constituency allocated funds towards the installation of water tanks and

		resources conservation initiatives		gutters in various schools. The activities were approved and installation started within the fy.
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	In the FY 22/23, the constituency allocated funds towards the sports tournament which was successfully implemented within the fy.
Emergency	Enhance the disaster management programme	Enhanced disaster management exercise	Number of fire extinguishers, and exit doors and windows	In the FY 22/23, the NG CDFC installed lightening arresters to cab for the lightening

V. Statement of Governance

NG CDF Kabuchai Committee are appointed subject to the provisions of section 43(2) (b), (c) and (d) of the NG-CDF Act through a Selection Panel.

Some key qualifications to be appointed as a committee member include;

- a) Citizen of Kenya;
- b) Ordinarily a resident and a voter within the Constituency;
- c) Able to read and write and to communicate in English and Kiswahili;
- d) Meets the requirements of Chapter Six of the Constitution;
- e) Available to participate in the activities of a Constituency Committee.

Removal of a member

A member may be removed from the committee in accordance in accordance to the provisions of section 43 (13) and (14) of the Act upon receipt of a complaint against a member.

A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office. The complaint shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting. If members determine that sufficient grounds exist requiring the member 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 received in the complaint within fourteen days of the date of the notice. A copy of the complaint and any other grounds of removal shall be attached to the notice issued. Duties as a member of the Constituency Committee. At least two thirds of the total membership of a Constituency Committee shall be required to remove the Chairperson or secretary from office

The functions of the Constituency Committee are;

- I. Build the capacity of project management committees and Committee.
- II. Sensitize the Community on the operations of the Fund;
- III. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- IV. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016 ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself

and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;

V. Consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;

VI. Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;

VII. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;

VIII. Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

IX. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;

X. Ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;

XI. Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;

XII. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

Induction and training of members

The committee were inducted and trained about their key functions and responsibilities. The training was conducted at Starbucks, Eldoret. The training was organized by the NGCDF Board

Conflict of interest, ethics and conduct

The committee was sensitized on conflict of interest, ethics and conduct. This covers the entire implementation process of all NGCDF projects.

VI. Environmental and Sustainability Reporting

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 2022/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*

3. Employee welfare

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

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

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

mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Kabuchai NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

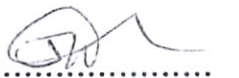
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



.....
Name *JOYCE N.W*
Fund Account Manager.

VII. Statement Of Management Responsibilities

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

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

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

The Accounting Officer in charge of the NGCDF Kabuchai 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

Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
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for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

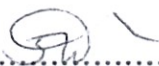
Approval of the financial statements

The NGCDF- Kabuchai Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.



.....
Name: Charles Sirengo

Chairman – NGCDF Committee



.....
Name: Joyce Wanjala

Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kabuchai Constituency set out on pages 1 to 37,

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

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

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

Basis for Qualified Opinion

1. Unsupported Expenditure on Bursaries

The statement of receipts and payments reflects an amount of Kshs.48,755,236 in respect of other grants and transfers as disclosed in Note 8 to the financial statements. Included in the expenditure is disbursement of bursaries to Secondary Schools and Tertiary Institutions amounting to Kshs.31,978,436 and Kshs.6,312,500 totalling Kshs.38,290,936. However, copies of receipts and acknowledgement letters from the beneficiary institutions totalling Kshs.24,767,701 were not provided for audit.

In the circumstances, the accuracy and completeness of the bursary expenditure amount of Kshs.24,767,701 could not be confirmed.

2. Lack of Title Deed

The statements of receipts and payments reflects an amount of Kshs.38,621,642 in respect of transfers to other Government units which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.15,350,000 transferred to secondary schools to implement development projects. Out of this amount, Kshs.2,000,000 was disbursed to a Secondary School for purchase of a one-acre piece of land. However, a title deed was not provided to confirm ownership of the piece of land by the school.

In the circumstances, ownership and valuation of the piece of land could not be confirmed.

3. Unsupported Project Management Committee Account Balances

Note 18.4 to the financial statements reflects fifty-eight (58) Project Management Committees balance of Kshs.11,020,204. However, Annex 5 to the financial statements reflects a balance of Kshs.13,589,535 resulting to a variance of Kshs.2,569,331 which has not been explained or reconciled. Further, bank statements and bank confirmation certificates, were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.11,020,204 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kabuchai 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 reflected receipts budget and actual on comparable basis amounts of Kshs.169,294,670 and Kshs.102,503,818, respectively, resulting to under-funding of Kshs.66,790,852 or 39% of the budget. Similarly, the Fund spent an amount of Kshs.100,762,154 against the actual receipts of Kshs.102,503,818 resulting in an under-utilization of Kshs.1,741,664.

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

My opinion is not modified in respect of these matters.

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.

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 matter 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

Non- Implementation of Projects

During the year under review, the Fund had planned to implement fifteen (15) Projects at a total cost of Kshs.68,607,516. However, out of this nine (9) or 60% of the projects costing Kshs.44,843,216 were not started.

In the circumstances, value for money was not obtained from the nine (9) projects that were not started.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 time 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 Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 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

17 May, 2024



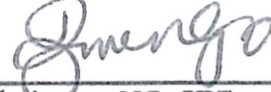
*Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022 - 2023	2021 - 2022
		Kshs	Kshs
Receipts			
Transfers from NGCDF Board	1	87,000,000	170,677,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	100,000	122,593
TOTAL RECEIPTS		87,100,000	170,800,351
PAYMENTS			
Compensation of employees	4	4,432,205	2,925,637
Committee expenses	5	1,718,000	-
Use of goods and services	6	4,821,157	11,212,969
Transfers to Other Government Units	7	38,621,642	82,700,000
Other grants and transfers	8	48,755,236	58,473,909
Acquisition of Assets	9	-	14,000,000
Other Payments	11	2,413,914	-
TOTAL PAYMENTS		100,762,154	169,312,515
SURPLUS/DEFICIT		(13,662,154)	1,487,836

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

The Constituency financial statements were approved by the NGCDFC on _____ 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Joyce Wanjala	Mildred Nasimiyu Barasa ICPAK M/No: 15874	Charles Sirengo



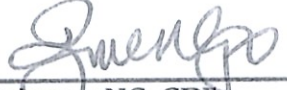
*Kabuchai Constituency
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X. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	2022 – 2023	2021 - 2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (as per the cash book)	12A	1,841,664	15,503,818
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		1,841,664	15,503,818
Accounts Receivable			
Outstanding Imprests	12	-	-
TOTAL FINANCIAL ASSETS		1,841,664	15,503,818
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL ASSETS		1,841,664	15,503,818
REPRESENTED BY			
Fund balance b/fwd 1st July 2022	15	15,503,818	14,015,983
Prior year adjustments	16	-	
Surplus/Deficit for the year		(13,662,154)	1,487,836
NET FINANCIAL POSITION		1,841,664	15,503,819

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 _____ 2023 and signed by:

 _____ Fund Account Manager	 _____ National Sub-County Accountant	 _____ Chairman NG-CDF Committee
Joyce Wanjala	Mildred Nasimiyu Barasa ICPAK M/No: 15874	Charles Sirengo


*Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
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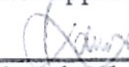
XI. Statement of Cash Flows for the Year Ended 30th June 2023

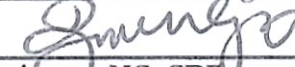
	Notes	2022 – 2023	2021 - 2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers from NGCDF Board	1	87,000,000	170,677,758
Other Receipts	3	100,000	122,593
		87,100,000	170,800,351
Payments for operating activities			
Compensation of Employees	4	4,432,205	2,925,637
Committee expenses	5	1,718,000	-
Use of goods and services	6	4,821,157	11,212,969
Transfers to Other Government Units	7	38,621,642	82,700,000
Other grants and transfers	8	48,755,236	58,473,909
Other Payments	10	2,413,914	-
		100,762,154	155,312,515
Adjusted for:			
Decrease/(Increase) in Accounts receivable	16	-	-
Increase/(Decrease) in Accounts Payable	17	-	-
Prior year Adjustments	15	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(13,662,154)	15,487,836
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(14,000,000)
Net cash flows from Investing Activities		-	(14,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(13,662,154)	1,487,836
Cash and cash equivalent at BEGINNING of the	11	15,503,819	14,015,983
Cash and cash equivalent at END of the year		1,841,665	15,503,819

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 _____ 2023 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Joyce Wanjala

Mildred Nasimiyu Barasa
ICPAK M/No: 15874

Charles Sirengo

Kabuchai Constituency
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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				
	2022 - 2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022 - 2023	2022 - 2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	138,215,033	15,503,819	15,475,818	169,194,670	102,503,818	66,690,852	
Proceeds from Sale of Assets		100000		100,000	-	100,000	0.0%
Other Receipts				0	-		
TOTAL RECEIPTS	138,215,033	15,603,819	15,475,818	169,294,670	102,503,818	66,790,851.61	60.5%
PAYMENTS							
Compensation of Employees	4,457,484	833,363	0	5,290,847.00	4,432,205	858,642	83.8%
Committee expenses	2,500,000			2,500,000.00	1,718,000	782,000	
Use of goods and services	5,481,818	770,297	0	6,252,115.00	4,821,157	430,958	77.1%
Transfers to Other Government Units	59,578,916	9,516,183	10,183,817	79,278,916.00	38,621,642	40,657,274	48.7%
Other grants and transfers	61,314,665	1,744,869	4,272,001	67,331,534.50	48,755,236	18,576,299	72.4%
COC	1,382,150			1,382,150.00		1,382,150	0.0%
Other Payments	3,500,000	2,338,514		5,838,514.00	2,413,914	3,424,600	41.3%
Unallocated funds (AIA)		400,593	1,020,000	1,420,593.00	-	1,420,593	
TOTAL	138,215,033	15,603,819	15,475,818	169,294,670	100,762,154	68,532,516	59.5%

Explanatory Notes:


The underutilization of funds is due to the delays by the exchequer to disburse funds to the constituency. As at 30th June 2023, the constituency had not received Ksh 66,690,852 which is equivalent to 48.25% of the total allocation to the constituency.

Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
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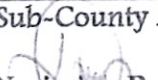
Compensation of employees – The underutilization was as a result of delays in funding and accumulated gratuity for employees
Committee expenses – The underutilization was due to the delays by the exchequer to disburse funds to the constituency
Use of goods and service - The underutilization was due to the delays by the exchequer to disburse funds to the constituency
Transfers to other government agencies - The underutilization was due to the delays by the exchequer to disburse funds to the constituency
Other grants and transfers - The underutilization was due to the delays by the exchequer to disburse funds to the constituency
COC - The underutilization was due to the delays by the exchequer to disburse funds to the constituency
Other payments - The underutilization was due to the delays by the exchequer to disburse funds to the constituency
Unallocated funds AIA – The underutilization is due to the delayed approval by the NG CDF Board.
The changes between the original and the final budget are as a result of the cashbook balances brought forward from the previous financial year, AIA, and delayed funding by the exchequer, and delayed project approvals from previous financial years.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	68,532,516
Less undisbursed funds receivable from the Board as at 30 th June 2023	66,690,852
	1,841,664
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	1,841,664

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


 Fund Account Manager

Joyce Wanjala


 National Sub-County Accountant

Mildred Nasimiyu Barasa
 ICPAK M/No: 15874


 Chairman NG-CDF Committee

Charles Sirengo

*Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
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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	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,457,484	833,363		5,290,847	4,432,205	858,642
1.2 Committee allowances	1,848,000	-		1,848,000	1,718,000	130,000
1.3 Use of goods and services	1,987,418	(540,582)		1,446,836	1,118,603	328,233
Total	8,292,902	292,781	-	8,585,683	7,268,808	1,316,875
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,630,000			1,630,000	1,432,214	197,786
2.2 Committee allowances	1,200,000	650,308		1,850,308	563,000	1,287,308
2.3 Use of goods and services	1,316,400	660,571		1,976,971	707,340	1,269,631
Total	4,146,400	1,310,879	-	5,457,279	2,702,554	2,754,725
3.0 Emergency						
3.1 Primary Schools	1,050,000			1,050,000	1,050,000	-
3.2 Secondary schools	1,500,000			1,500,000	1,500,000	-
3.3 Tertiary institutions				-		-
3.4 Security projects			-	-		-
3.5 Unutilised	5,086,190	269,881		5,356,071		5,356,071
Total	7,636,190	269,881		7,906,071	2,550,000	5,356,071
4.0 Bursary and Social Security				-		

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National Government Constituencies Development Fund (NGCDF)
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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			
4.1 Secondary Schools	24,110,792	9,387,370		33,498,162	31,978,436	1,519,726
4.2 Tertiary Institutions	22,039,083	(9,418,200)	(177,999)	12,442,884	6,312,500	6,130,384
4.3 Social Security	-			-		-
4.4 Special Needs	2,000,000			2,000,000	-	2,000,000
Total	48,149,875	(30,830)	(177,999)	47,941,046	38,290,936	9,650,110
5.0 Sports				-		-
5.1 Kabuchai sports	2,764,300			2,764,300	2,764,300	-
Total	2,764,300			2,764,300	2,764,300	-
6.0 Environment						
Kabuchai environment	2,200,000			2,200,000	1,350,000	850,000
Makhonge primary	564,300			564,300		564,300
Unutilized		505,817.50		505,818		505,818
Total	2,764,300	505,818	-	3,270,118	1,350,000	1,920,118
7.0 Primary Schools Projects						
Chebukaka Boys primary	3,000,000	4,000,000		7,000,000	2,500,000	4,500,000
Luuya primary school	3,000,000	4,000,000		7,000,000	2,500,000	4,500,000
Sichei rc primary	1,878,916			1,878,916		1,878,916
Nalondo CBM primary school	8,600,000		1,000,000	9,600,000	9600000	-
Busakala primary school	10,000,000			10,000,000		10,000,000
Chepsitati primary school	3,500,000			3,500,000	2821642	678,358
Namikelo primary school		1,000,000.00		1,000,000		1,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Blk) and AIA	Previous Years' Outstanding Disbursements			
Luucho primary school	-		3,000,000.00	3,000,000	3000000	-
Nangubo primary school			1,000,000.00	1,000,000	1000000	-
Mukhweya primary		250,000.00		250,000	250000	-
Lurende sec school			900,000.00	900,000	900000	-
Makhonge primary school		266,183.00	433,817.00	700,000	700000	-
Total	29,978,916	9,516,183	6,333,817	45,828,916	23,271,642	22,557,274
8.0 Secondary Schools Projects						-
Sikata secondary school	4,000,000			4,000,000	2,000,000.00	2,000,000
Kiboochi secondary school	2,000,000			2,000,000	2,000,000	-
Chebukaka girls sec school	10,000,000			10,000,000		10,000,000
Chebukaka girls sec school	6,100,000			6,100,000		6,100,000
Teremi boys sec school	7,500,000		1,800,000	9,300,000	9300000	-
Kibichori sec school			1,250,000.00	1,250,000	1250000	-
Chekulo sec school			800,000.00	800,000	800000	-
Total	29,600,000	-	3,850,000	33,450,000	15,350,000	18,100,000
9.0 Tertiary institutions Projects				-		-
Total	-		-	-	-	-
10.0 Security projects				-		-
Kabuchai ACC Office			3,800,000	3,800,000	3,800,000	-
DCC OFFICE			650,000	650,000		650,000
Chwele police		400,000.00		400,000		400,000

Kabuchai Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments	Previous Years' Outstanding Disbursements	Final Budget	Actual on comparable basis	Budget utilization difference
North bukusu chief		600,000.00		600,000		600,000
Total	-	1,000,000	4,450,000	5,450,000	3,800,000	1,650,000
11.0 COC				-		-
COC Allowances	600,000.00			600,000	600,000	-
Daily subsistence	500,000			500,000	400000	100,000
Catering services	282,150			282,150		282,150
Total	1,382,150	-	-	1,382,150	1,000,000	382,150
12.0 Other payments				-		-
Kabuchai strategic plan	3,500,000			3,500,000.00	2,413,914	1,086,086.00
ICT HUB		2,338,514.00		2,338,514.00		2,338,514.00
Total	3,500,000	2,338,514	-	5,838,514	2,413,914	3,424,600
13.0 unallocated fund						
Unapproved projects			1,020,000	1,020,000		1,020,000
AIA		400,593.00		400,593		400,593
PMC savings				-		
Total	-	400,593	1,020,000	1,420,593	-	1,420,593
GRAND TOTAL	138,215,033	15,603,819	15,475,818	169,294,670	100,762,154	68,532,516

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 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
	Kshs	Kshs
NGCDF Board		
AIE NO. B 140904		33,588,879
AIE NO. B 140906		44,000,000
AIE NO. B 105780		22,000,000
AIE NO. B 128650		5,000,000
AIE NO. B 128828		12,000,000
AIE NO. B 154025		15,000,000
AIE NO. B 164468		20,000,000
AIE NO. B 155828		19,088,879
AIE NO. B 185075	7,000,000	
AIE NO. B 185613	21,000,000	
AIE NO. B 205747	12,000,000	
AIE NO. B 206108	5,000,000	
AIE NO. B 206363	12,000,000	
AIE NO. B 207506	15,000,000	
AIE NO. B 207872	15,000,000	
TOTAL	87,000,000	170,677,758

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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3. Other Receipts

	2022 - 2023	2021 -2022
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	100,000	121,760
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	833
TOTAL	100,000	122,593

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2022 - 2023	2021 -2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,153,325	2,734,357
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	278,880	191,280
TOTAL	4,432,205	2,925,637

5. Committee Expenses

	2022 - 2023	2021 - 2022
	Kshs	Kshs
Sitting allowance	1,138,000	-
Other committee expenses	580,000	-
TOTAL	1,718,000	-

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6. Use of Goods and services

	2022 – 2023	2021 - 2022
	Kshs	Kshs
Utilities, supplies and services	82,803	313,510
Communication, supplies and services	400,000	427,000
Domestic travel and subsistence	373,800	470,200
Printing, advertising and information supplies & services	-	642,100
Rentals of produced assets	-	-
Sitting allowance	-	1,614,000
Other committee expenses	-	2,633,505
Training expenses	1,093,000	1,620,600
Hospitality supplies and services	120,000	161,878
Insurance costs	-	-
Specialised materials and services	-	853,800
Office and general supplies and services	607,340	580,340
Fuel , oil & lubricants	100,000	896,000
Other operating expenses	563,000	192,610
Security operations	1,000,000	-
Routine maintenance - vehicles and other transport equipment	219,214	145,551
Routine maintenance- other assets	262,000	463,875
TOTAL	4,821,157	11,014,969

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022 – 2023	2021 - 2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	23,271,642	51,900,000
Transfers To Secondary Schools (See Attached List)	15,350,000	30,998,000
Transfers To Tertiary Institutions (See Attached List)	-	
Total	38,621,642	82,898,000

8. Other Grants and Other transfers

	2022 – 2023	2021 - 2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	31,978,436	31,254,150
Bursary – tertiary institutions (see attached list)	6,312,500	13,751,800
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	
Security projects (see attached list)	3,800,000	700,000
Sports projects (see attached list)	2,764,300	2,741,777
Environment projects (see attached list)	1,350,000	2,741,776
Emergency projects (see attached list)	2,550,000	7,284,406
Roads projects (see attached list)	-	-
Total	48,755,236	58,473,909

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	2022 – 2023	2021 - 2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	11,000,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	3,000,000
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets		
Total	-	14,000,000

10. Oversight Committee Expenses

	2022-2023	2021 - 2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

11. Other Payments

	2022-2023	2021 - 2022
	Kshs	Kshs
Strategic plan	2,413,914	-
ICT Hub	-	-
		-
Total	2,413,914	-

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022 – 2023	2021 - 2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
The Cooperative Bank, Bungoma, '01141536140900	1,841,664	15,503,818
<i>Name of Bank, account No. (Deposits account) N/A</i>	-	-
	-	-
Total	1,841,664	15,503,818
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13. Outstanding Imprests

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
Total		-	-	-

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Notes to the Financial Statement Continued

14. Retention and Gratuity

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

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

15. Fund Balance B/F

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	15,503,818	14,015,983
Cash in hand		
Imprest		
Total	15,503,818	14,015,983
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	-	-

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	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

17. Changes In Accounts Receivable – Outstanding Imprests

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

0

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	858,642	1,155,363
Use of goods and services	1,430,958	770,297
Amounts due to other Government entities	40,657,274	12,400,000
Amounts due to other grants and other transfers	18,576,299	5,039,051
Constituency Oversight Committee expenses	1,382,150	
Strategic plan & ICT Hub	3,424,600	2,338,514
Funds pending approval	1,420,593	9,454,410
Total	68,532,516	31,157,635

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18.4: PMC account balances (See Annex 5)

	2022 - 2023	2021 - 2022
	Kshs	Kshs
PMC account balances (see attached list)	11,020,204	4,899,728
Total	11,020,204	4,899,728

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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.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022 – 2023	Outstanding Balance 2021 – 2022	Comments
Compensation of employees		858,642	1,155,363	
Use of goods & services		1,430,958	770,297	
Amounts due to other Government entities				
Nalondo CBM primary school	Construction of one classroom		1000000	
Mukhweya primary school	Renovation of classrooms		250000	
St peters Lurende secondary school	Purchase of land		900000	
Kibichori secondary school	Construction of classroom		1250000	
Chebukaka boys primary school	Completion of storey building	4,500,000	4000000	
Luuya primary school	Completion of storey building	4,500,000	4000000	
Sichei RC primary school	Renovation of classrooms	1,878,916		
Busakala primary school	Construction of storey buliding	10,000,000		
Chepsitati primary school	Lightening arrestor	678,358		
Namikelo primary school	Construction of one classroom	1,000,000	1000,000	
Sikata secondary school	Construction of 2 classrooms	2,000,000		
Chebukaka girls high school	Construction of storey buliding	10,000,000		
Chebukaka girls high school	Renovation of multipurpose hall	6,100,000		
Misri primary school	Renovation of classrooms		400,000	
Sub-Total		40,657,274	12,800,000	
Amounts due to other grants and other transfers				
Kabuchai ACC Office	Construction of ACC office		3800000	
DCC Office	Renovation of DCC office	650,000		
North bukusu chief office	Purchase of land for chief office	600,000	600000	
Emergency	Payment for the unforeseen occurences	5,356,071	269881	
Bursary - Secondary school	Payment for needy students	1,519,726	-30830	

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Name	Brief Transaction Description	Outstanding Balance 2022 – 2023	Outstanding Balance 2021 – 2022	Comments
Bursary - Tertiary institutions	Payment for needy students	6,130,384		
Bursary - Special needs	Payment for needy students	2,000,000		
Constituency environment	Installation of water tanks & tree planting	1,920,118		
Sub-Total		18,576,299	4,639,051	
Constituency Oversight Committee				
COC Allowances	Payment of COC allowances	600,000		
Daily subsistence	Payment for COC daily subsistence	500,000		
Catering services	Payment for COC catering services	282,150		
Sub- Total		1,382,150		
Others (specify)				
Strategic plan	Development of 5 year strategic plan	1,086,086		
ICT Hub	Installation of ICT hubs	2,338,514	2338514	
Sub-Total		3,424,600	2338514	
Funds pending approval		1,420,593	9454410	
Grand Total		68,532,516	31,157,635	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021 - 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2022 - 2023
Land	800,000			800,000
Buildings and structures	23,500,000			23,500,000
Transport equipment	6,158,843			6,158,843
Office equipment, furniture and fittings	5,762,000			5,762,000
ICT Equipment, Software and Other ICT Assets	758,000			758,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	36,978,843	-	-	36,978,843

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

PMC	Bank	Account number	Bank Balance 2022 - 2023	Bank Balance 2021 - 2022
NAMAONDO PRIMARY SCH	1141049275900	COOPERATIVE	5,558	6,038
CHEKWANDA PRIMARY SCH	1141668569300	COOPERATIVE	1,837	2,437
SAWALI PRIMARY SCHOOL	1141049275900	COOPERATIVE	3,619	4,159
KHATIRI PRIMARY SCHOOL	1141668569300	COOPERATIVE	875	1,355
WALUKAYA PRIMARY SCH	1141049275900	COOPERATIVE	226	706
SANANDIKI SA PRI SCHOOL	1141668569300	COOPERATIVE	2,491	2,971
SITILA PRIMARY SCHOOL	1141049275900	COOPERATIVE	1,460	1,940
LUMBEBE PRIMARY SCHOOL	1141668569300	COOPERATIVE	545	206,025
KHACHONGE PRIMARY SCH	1141049275900	COOPERATIVE	4,146	101,626
NALONDO RC PRIMARY SCH	1141668569300	COOPERATIVE	1,213	1,693
MATIBO PRIMARY SCHOOL	1141049275900	COOPERATIVE	18,470	18,950
SIRWA PRIMARY SCHOOL	1141668569300	COOPERATIVE	1,445	681,925
CHEMWA PRIMARY SCHOOL	1141049275900	COOPERATIVE	219	219
MISIRI PRIMARY SCHOOL	1141668569300	COOPERATIVE	75,237	75,717
SIKUSI PRIMARY SCHOOL	1141049275900	COOPERATIVE	2,960	3,440
LUUYA PRIMARY SCHOOL	1141049921800	COOPERATIVE	2,505,350	-
CHEBUKAKA BOYS PRIMARY	1141049275900	COOPERATIVE	2,347,447	106,426
MUKHWEYA PRIMARY SCHOOL	1141668569300	COOPERATIVE	2,091	1,571
MIKAYU PRIMARY SCHOOL	1141049275900	COOPERATIVE	6,140	6,620

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PMC	Bank	Account number	Bank Balance 2022 - 2023	Bank Balance 2021 - 2022
NANGILI PRIMARY SCHOOL	1141668569300	COOPERATIVE	1,039	10,519
SIKULU PRIMARY SCHOOL	1141049275900	COOPERATIVE	233	233
NAMOSI PRIMARY SCHOOL	1141668569300	COOPERATIVE	47,916	1,008,472
PONGOLA SECONDARY SCH	1141049275900	COOPERATIVE	1,565	2,525
CHEKULO BAPTIST SEC SCH	1141668569300	COOPERATIVE	70	70
ST.KIZITO MUKHWEYA SEC SC	1141049275900	COOPERATIVE	109,360	249,840
CHENJENI SECONDARY SCH	1141668569300	COOPERATIVE	36,072	36,552
NANGWE GIRLS SEC SCHOOL	1141049275900	COOPERATIVE	46,375	49,386
LUUYA G. SECONDARY SCH	1141668569300	COOPERATIVE	58,073	58,673
MAKHONGE SECONDARY SCH	1141049275900	COOPERATIVE	55,633	56,233
LUKHOME SECONDARY SCH	1141668569300	COOPERATIVE	378	858
CHEMWA SECONDARY SCH	1141049275900	COOPERATIVE	219	219
KASOSI SECONDARY SCH	1141669497500	COOPERATIVE	1,565	2,525
TEREMI HIGH SCHOOL	1141049275900	COOPERATIVE	2,747,401	4,455
SIKUSI SECONDARY SCHOOL	1141668569300	COOPERATIVE	63,203	63,683
SA WABUKHONYI SEC SCH	1141049275900	COOPERATIVE	20,063	50,543
SIKATA SECONDARY SCHOOL	1141668569300	COOPERATIVE	30,085	2,012,431
BUSAKALA SECONDARY SCH	1141049275900	COOPERATIVE	1,926	2,405
CHEBUNYINYI PRIMARY SCH	1141668569300	COOPERATIVE	18,135	18,615
CHWELE CHIEF OFFICE	1141049275900	COOPERATIVE	263	743

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PMC	Bank	Account number	Bank Balance 2022 - 2023	Bank Balance 2021 - 2022
KIMALEWA SECONDARY SC	1141668569300	COOPERATIVE	6,875	7,355
KABUCHAI NGCDF OFFICE	1141049275900	COOPERATIVE	1,545	2,025
KABUCHAI CONST. SPORTS COMM	1141668569300	COOPERATIVE	643	23,449
KABUCHAI CONST. ENV COMM	1141049275900	COOPERATIVE	4,633	5,113
NORTH BUKUSU ASST CHIEF	1141668569300	COOPERATIVE	6,391	6,871
KUYWA CHIEFS OFFICE	1141049275900	COOPERATIVE	350	830
KABUCHAI CONST.FIRE AND SAFETY	1141783919500	COOPERATIVE	1,287	1,287
SAMITA PRIMARY SCHOOL	1141049275900	COOPERATIVE	114	
NANGUBO PRIMARY SCHOOL	1141668569300	COOPERATIVE	978,742	
SICHEI RC PRIMARY SCHOOL	1141049275900	COOPERATIVE	1,673	
LUUCHO PRIMARY SCHOOL	1141668569300	COOPERATIVE	3,003,572	
MAKHONGE FYM PRIMARY	1141049275900	COOPERATIVE	1,383	
BUSAKALA PRIMARY SCHOOL	1141668569300	COOPERATIVE	4,332	
MAKHONGE SA PRIMARY	1141049275900	COOPERATIVE	98	
KIBOOCHI SEC SCHOOL	1141668569300	COOPERATIVE	75	
KIBICHORI SEC SCHOOL	1141049275900	COOPERATIVE	1,116	
CHEBUKAKA GIRLS SEC SCH	1141668569300	COOPERATIVE	4,263	
KABUCHAI ACC OFFICE	1263508340	KCB	1,335,987	
ST CHARLES LWANGA SEC	1285983238	KCB	15,553	
TOTAL			13,589,535	4,899,728

Annex 6: Progress On Follow Up of Auditor Recommendations

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

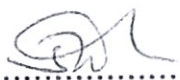
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1.	<p>Inaccuracies in the financial statements: Variances between the Summary Statement of Appropriation Amounts and Comparative Balances Further, review of Note 17.4 and Annex 5 to the financial statements revealed that the comparative balance of Kshs.3,164,846 in respect to Project Management Committee bank balances which is at variance with the 2020/2021 audited financial statements balance of Kshs.15,535,871 resulting to unexplained and unreconciled variance of Kshs.12,371,025.</p> <p>In the circumstance, validity, accuracy and completeness of the comparative balances in the summary statement of appropriation could not be confirmed.</p>	The financial statements have been corrected and there is no variance in the financial statements on the two financial years.	Resolved	N/A
2.		The certificate of bank balances were obtained from the bank during the preparation of the financial statements and during the	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		audit. The management will request for the other certificates to ascertain the variance.		
3.	<p>As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.11, 212,969 in respect of use of goods and services. However, note 5 to the financial statements and supporting ledgers provided for audit review reflects Kshs11, 014,969 resulting to unexplained and unreconciled variance of Kshs.198, 000. Further, review of Note 5 to the financial statement reflects expenditure in respect to specialized materials of an amount of Kshs.953, 800 which is at variance with ledger supporting amounts of Kshs.853, 800 resulting to unexplained and unreconciled variance of Kshs.100, 000.</p> <p>In the circumstance, validity, accuracy and completeness of the amounts of Kshs.11, 212,969 in respect of use of goods and services could not be confirmed.</p>	The Ksh 198,000 was erroneously captured under the transfers to other grants in the ledgers. This increased the transfers to other government grants by the same amount while reducing the goods and services by the same amount. The same has been corrected and the amended financial statements available for audit verification.	Resolved	N/A
4.	The statement of assets and liabilities as at 30 June, 2022 reflects cash and cash equivalents balance of Kshs.15, 503,819. However, the bank reconciliation	As at the closure of the financial under review, the stale cheques had not been reversed in the cashbook, however, the	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>statement for the account for the month of 30 June, 2022 reflects un-presented cheques totaling to Kshs.1, 972,049 out of which Kshs.983, 400 were stale. These cheques had not been reversed in the cashbook and no explanation was provided for the anomaly. See details in Appendix I</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.15, 503,819 as at 30 June, 2022 could not be confirmed.</p>	<p>same was done in the subsequent financial year, in July 2022 and the reconciliation statement showing the same reversal is available for audit review.</p>		



 Joyce Wanjala
 Fund Account Manager.