
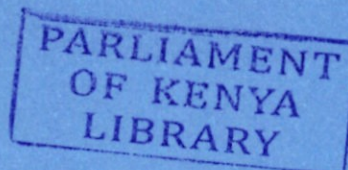


REPUBLIC OF KENYA



Enhancing Accountability

 REPORT THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2024	DAY: WEDNESDAY
TABLED BY: Hon. SAMUEL CHEPKURUYA	OF THE AUDITOR-GENERAL
CLERK-AT THE TABLE: Anne Shibusko	



ON

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

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.
16 APR 2023
RECEIVED



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

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

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

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I. Acronyms and Abbreviations

NGCDF-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 Kitui Central 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)

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	Josephine Mutua
2.	Sub-County Accountant	Titus Kimuyu
3.	Chairman NGCDFC	Justus Mumo
4.	Member NGCDFC	Elizabeth Muthui

(c) Fiduciary Oversight Arrangements

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

(d) Kitui Central Constituency NGCDF Headquarters

P.O. Box 732 - 90200
Offices Near District Commissioners offices
Off Kwa Ngindu Road
Kitui, Kenya

(e) Kitui Central Constituency NGCDF Contacts

Telephone: (254) 0734909303
E-mail: ngcdfkituicentral@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Kitui Central Constituency NGCDF Bankers

National Bank of Kenya, Account Number 01001052093400
Kitui Branch
P.O.Box 166 - 90200
Kitui

(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



**JUSTUS MUSYIMI MUMO, CHAIRPERSON
KITUI CENTRAL NGCDF**

The budget performance for the year was fair and not excellent compared to last financial year whereby we received 100% of our allocation and implemented 100% of the budget during that year

This financial year we received 60 % of the funding and implemented 60 % of our projects. When you look at the statement of receipts and expenditure you will notice that only like 60 % of the allocated funds had been transferred to the projects.

However, despite the challenge of slow disbursement of funds, we are proud to report that all the funds received were fully disbursed to the respective projects and the projects were implemented to completion. Under the leadership of Hon. Makali Mulu, Kitui central NGCDF has supported the establishment of many primary and secondary schools, supported construction of security projects, water projects, and many students have benefited from the bursary kitty. All these projects have been evenly distributed to all wards across the constituency.

Apart from the constituency been expansive, Kitui central also experiences some drought in parts of Miambani and Mulango wards. This drought has been highly mitigated through provision of food and water to the affected areas.

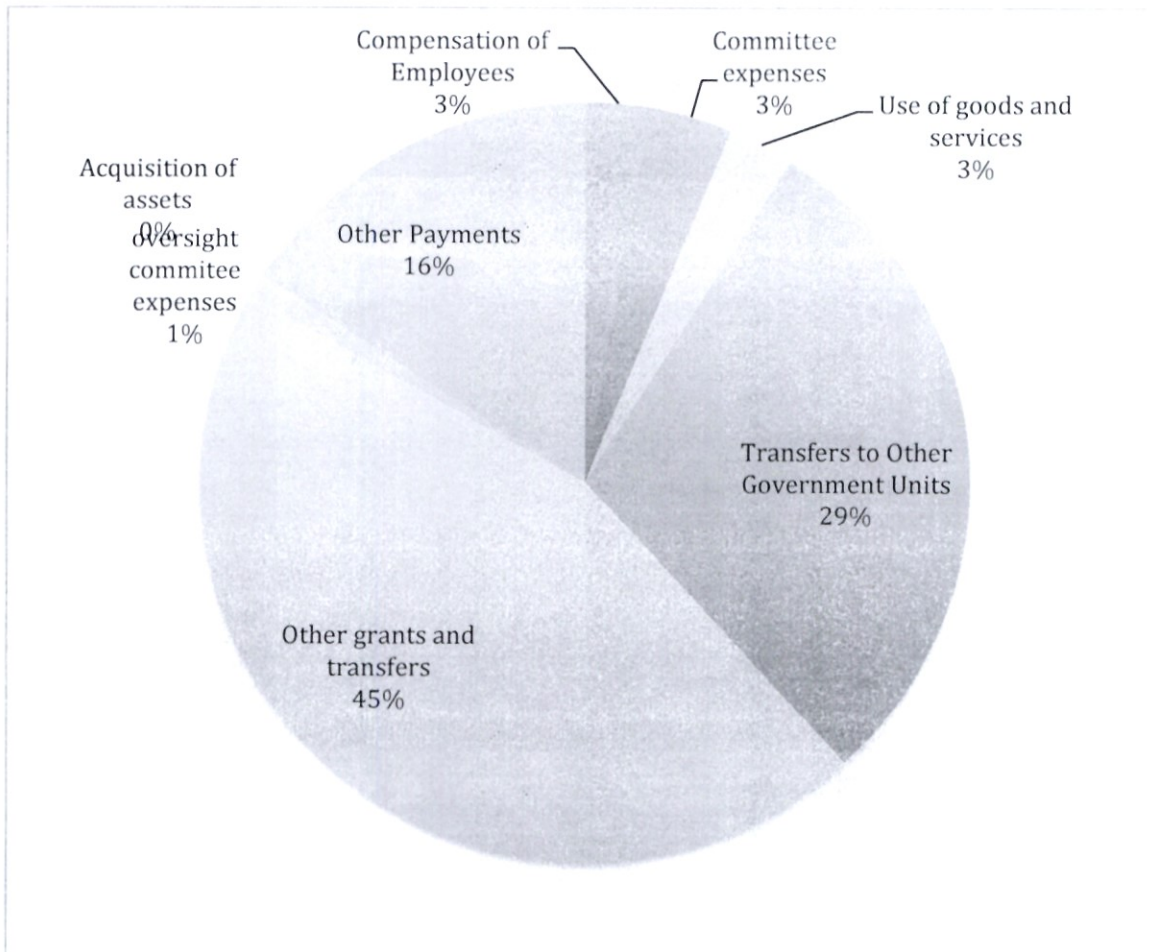
The performance of Kitui central is graphically illustrated as below.

Table showing original budget

ITEM	ORIGINAL BUDGET(Ksh)
Compensation Of Employees	3,848,760
Committee expenses	6,116,000
Use Of Goods and Services	3,093,124
Transfers To Other Government Units	42,300,000
Other Grants and Transfers	65,278,843
Constituency oversight committee	1,450,876

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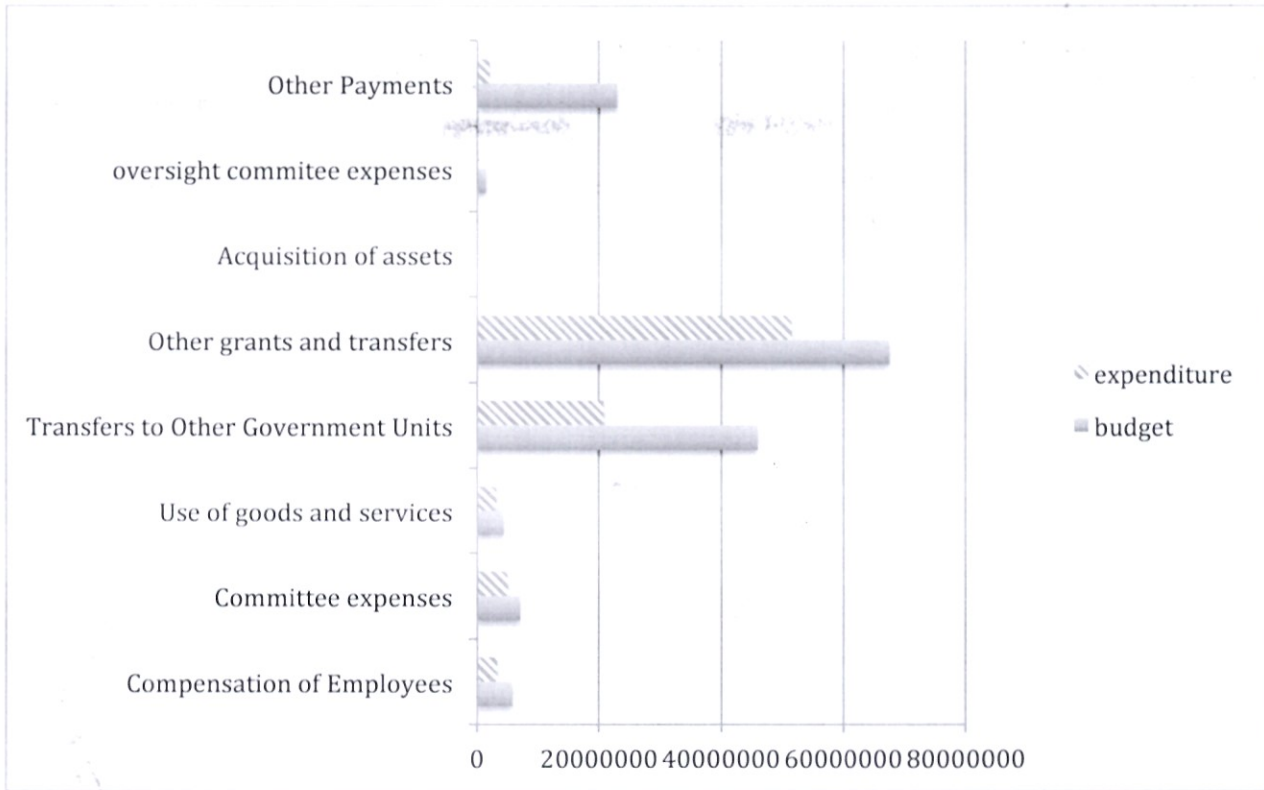
Other Payments	23,000,000



1. GRAPH FOR ORIGINAL BUDGET

Table showing utilization of funds

ITEMS	budget	expenditure
Compensation of Employees	5813560	3386810
Committee expenses	6986011	5040100
Use of goods and services	4393124	3253026
Transfers to Other Government Units	46050000	20800000
Other grants and transfers	67611575	51606000
Acquisition of assets	0	0
oversight committee expenses	1450876	0
Other Payments	23000000	2095100



2. GRAPH OF ACTUAL EXPENDITURE

KEY ACHIEVEMENTS

During the financial year Kitui Central implemented Bursaries worth Kshs 47,000,000 which was disbursed to Secondary Schools, constructed 8 classrooms in Primary Schools at a total cost of Kshs 25,000,000 and two science laboratories in secondary schools worth Kshs 7,000,000

1. VINDA SECONDARY SCHOOL SCIENCE LABORATORY



Vinda Secondary School is located in Miambani ward. The science lab block is complete and the project is the pride of Kitui central constituency because a higher education facility for the students will be available. The project is a clear indication of the milestones Kitui central NGCDF is willing to take to achieve modern education facilities and promote the big 4 agenda.

2. CENTRAL PRIMARY SCHOOL



Central Primary School is located in Township ward. The storey classrooms block is complete and the project is the pride of Kitui central constituency because it will accommodate the higher enrolment of the school in general. The project is a clear indication of the milestones Kitui central NGCDF is willing to take to achieve modern education facilities and promote the big 4 agenda.

EMERGING ISSUES

1. Increase in the interest levels of the constituents on understanding how the NGCDF Fund operates, their roles and mandate. This has positive impact since the public participation has enabled clear understanding on NGCDF activities.
2. The Government and non-government organizations interest in partnering with the NGCDF due to its achieved successful stories.
3. Need to support talents through sporting activities
4. The Competency Based Curriculum has a great change in the education system thus requirement of extra classrooms in most schools

IMPLEMENTATION CHALLENGES

1. Poor terrain hence a challenge when transporting building materials.
2. High levels of low income earners thus the total financial dependency on bursaries.
3. Low level of literacy among the key project stakeholders.

RECOMMENDED WAY FORWARD.

1. Continuous capacity building of the general public on the fund.
2. The board should consider allocating more funds for bursary and the NGCDFC give first priority to the most needy students.
3. Nurturing of talents through sensitization



.....
Name: Justus Mumo
CHAIRMAN NGCDF COMMITTEE

IV. Statement of Performance Against Predetermined Objectives for FY2022/2023

Introduction

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

The key development objectives of *Kitui Central Constituency 2023-2027* plan are to:

- ✓ To improve access to education
- ✓ To improve learning environment
- ✓ To improve access to clean water and sanitation in schools
- ✓ To improve the working and living conditions of security personnel in the Constituency
- ✓ To prevent environmental degradation
- ✓ To build and enhance the skills of youth through sports
- ✓ To increase access to ICT infrastructure

Progress on attainment of Strategic development objectives

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

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	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 2022/2023 -we increased number of classrooms from 40 to 48 in primary schools , science laboratories from 12 to 14 in secondary schools - Bursary beneficiaries at all levels were as per

				the attached schedules of 3000 beneficiaries
Security	To improve security in the constituency	Improved housing for the police force and improved offices for the administration offices	Number of Houses and offices constructed or renovated for the different central administration staff including the deputy county commissioner, chief, administration and regular police.	-We constructed 5 offices for chiefs and assistant chiefs in Mulango ward, Kyangwithya East and Kyangwithya west wards
Environment	To prevent environmental degradation	Improve sustainable and conserved environment through various conservation measures	Number of trees planted, sand dams constructed and water tanks supplied to various institutions to harvest water	We budgeted for construction of 4 sand dams at Mulango and kyangwithya ward
Sports	To nurture the youth	Improved talents among the youth	Tournament held at the ward level and constituency level with ten teams benefitting from sports kits, footballs and sports shoes	We held our ward level and constituency level sports tournament which was very successful We had 20 teams from the whole constituency competing
Emergency	To cater for any unforeseen occurrence in the constituency	Emergency cases sorted soonest time possible	Number of emergency cases handled	10 emergency cases were handled, this comprised of toilets done to 9 primary schools and one done to Kitui police station

V. Statement of Governance

Introduction

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

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

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

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

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

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

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

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

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

The term of the previous NGCDFC came to end after the elections ,on receiving a circular from the Board on appointment of new NGCDFC ,we advertised in all public notice boards within the Constituency ,Vetted the four members as stipulated in the guidelines issued by the Board.

NGCDFC Kitui Central comprises of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

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

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

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NG-CDF office to carry out an appointment of

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the new committee. The panel invited through advertisement publicised in mosques and churches, public offices, notice boards and other public areas in the constituency in the month of October. In Ijara constituency, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee.

Appointment of NGCDFC Members

The selection Panel

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

SNO	NAME	DESIGNATION
1	Mercy Ndungu	Chairman
2	Josephine Mutua	Secretary
3	Edward katana	Member
4	Patricia Ndindi	Member

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

S/N	Name	Category representation	Ward
1.	Justus Mumo Musyimi	Male adult	Kyangwithya EastBe
2.	Eliz Muindi Muthui	Female Adult	Township
3.	Augustine musyoka Mukunu	Youth male	Kyangwithya West
4.	Gillian Mwikali	Youth Female	Township

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1.	Susan Mwiwa	Limping	Kyangwithya West

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Alexander Muthami	Male nominee	Miambani
2	Alex Muthoka	Male nominee	Mulango

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

S/N	Name	Gender	Ward
1.	Benedict Musili Musengele	Male	Kyangwithya East

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

1. Chairperson position –
2. Secretary position –

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

The appointed committee members were gazetted through Gazette volume number 254 29-11-2022 on 29th November 2022.

The new committee held its first meeting on 21st December 2022

Sno.	Name	Position
1	Justus Musyimi Mumo	Chairperson
2	Eliz Muindi Muthui	Member
3	Augustine Musyoka Mukunu	Member
4	Gillian Mwikali	Member
5	Benedict Musili Musengele	Member
6	Alex Muthoka	Secretary
7	Alexander Muthami Maluki	Member
8	Susan Syokau Mwiwa	Member
9	Josephine Mutua	FAM
10	Dorcas Rono	DCC

Removal of NG-CDFC Members

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

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

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

Roles and functions of NG-CDFC

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

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

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

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NG-CDFC members. The constituency also held a capacity building activity in 23rd to 27th April 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kitui central.

Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NG-CDFC Kitui central held 14 meetings, 3 being meetings held by the previous committee while 11 for the current committee through as illustrated below;

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Schedule of meetings held during the FY 2022/2023

S.N	NG-CDFC COMMITTEE MEMBERS	21/12/22	3/01/23	15/01/23	9/02/23	23/02/23	9/03/23	28/04/23	5/04/23	25/04/2023	25/05/2023	8/06/2023
1	Justus Musyimi Mumo-chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Eliz Muindi Muthui-Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Augustine Musyoka Mukunu-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Gillian Mwikali-Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Benedict Musili Musengele Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Alex Muthoka Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Alexander Muthami Maluki Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Susan Syokau Mwiwa Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Josephine Mutua FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Dorcas Rono DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

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

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

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

Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh.5,000 per sitting as per a circular issued by the NGCDF Board.

All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Kitui central contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Kitui central has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the

constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

(vi) Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Kitui Central Constituency is affected by climate change, erratic rainfall patterns, reduction of water quantity and quality, flooding, siltation of rivers, and dams, rising temperatures and frequent disease outbreaks are some of the effects of climate change in the Kitui Central constituency.

This year we constructed four sand dams in four rivers to prevent flooding

We also organized sports tournament whereby the youth were sensitized on the drug abuse matters and environmental conservation matters

3. Employee welfare

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

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

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

4. Market place practices-

Kitui Central 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:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



.....
Name: Josephine Mutua
Fund Account Manager

VII. Statement Of Management Responsibilities

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

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

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

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

Approval of the financial statements

The NGCDF- Kitui Central Constituency financial statements were approved and signed by the Accounting Officer on 15/4/ 2024



.....
Name: Justus Mumo:
Chairman – NGCDF Committee



.....
Name: Josephine Mutua:
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 - KITUI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Kitui Central Constituency set out on pages 1 to 42, 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 the 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-Kitui Central Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended, 2022).

Basis for Qualified Opinion

1. Overstatement of Use of Goods and Committee Expenses

The statement of receipts and payments reflects use of goods and services and committee expenses totalling Kshs.2,557,026 and Kshs.5,736,100, respectively. However, review of the ledger and the payment vouchers revealed that there was double posting of vouchers in the ledger resulting to an overstatement of Kshs.308,000.

Further, review of the Funds financial statements revealed that comparatives balances Note 4 and 5 to the financial statements on compensation of employees and committee expenses indicated the prior year as 2022/2023 instead of 2021/2022.

In the circumstances, the accuracy and completeness of the use goods and services and committee expenses amounting to Kshs.8,293,126 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and transfers expenditure totalling Kshs.51,606,000. Included in the amount is Kshs.47,399,500 relating to bursary disbursements. However, there were no application forms provided for audit review by the Fund Management to support the process and criteria of bursary issuance.

In the circumstances, the regularity and completeness of the bursary award process 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- Kitui Central 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 budgeted receipts and actual amounts on comparable basis of Kshs.155,319,146 and Kshs.97,231,543 respectively resulting in an under-funding of Kshs.58,087,603 or 37% of the budget. Similarly, the Fund spent Kshs.86,181,036 against actual receipts of Kshs.97,231,543 resulting to under-utilization of Kshs.11,050,507 or 11% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

In the audit report of the previous year, several issues were raised under the Report on financial statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or given any explanation for the failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

[The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements, plan, and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements

comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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 taken together, 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. In addition, 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 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


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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2024




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

VII. 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	181,277,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		87,000,000	181,277,758
PAYMENTS			
Compensation Of Employees	4	3,386,810	2,915,600
Committee expenses	5	5,736,100	-
Use Of Goods and Services	6	2,557,026	10,250,586
Transfers To Other Government Units	7	20,800,000	87,000,000
Other Grants and Transfers	8	51,606,000	79,378,708
Acquisition Of Assets	9	-	1,168,120
Oversight Committee expenses	10	-	-
Other Payments	11	2,095,100	-
TOTAL PAYMENTS		86,181,036	180,713,014
SURPLUS/ (DEFICIT)		818,964	564.744

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 15/4/2024 2024 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Josephine Mutua:	Name: Titus Kimuyu: ICPAK M/No: 27672	Name: Justus Mumo:


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	11,050,507	10,231,543
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		11,050,507	10,231,543
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		11,050,507	10,231,543
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL ASSETS		11,050,057	10,231,543
REPRESENTED BY			
Fund Balance B/Fwd	15	10,231,543	9,666,799
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		818,964	564,744
NET FINANCIAL POSITION		11,050,507	10,231,543

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 15/4/2024 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Josephine Mutua:

Name: Titus Kimuyu
ICPAK M/No: 27672

Name: Justus Mumo

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

VIII. 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	181,277,758
Other Receipts	3	-	-
Total Receipts		87,000,000	181,277,758
Payments for operating activities			
Compensation Of Employees	4	3,386,810	2,915,600
Committee Expenses	5	5,736,100	-
Use Of Goods and Services	6	2,557,026	10,250,586
Transfers To Other Government Units	7	20,800,000	87,000,000
Other Grants and Transfers	8	51,606,000	79,378,708
Other Payments	11	2,095,100	-
Total Payments		86,181,036	179,544,894
Total Receipts Less Total Payments		818,964	1,732,864
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		818,964	1,732,864
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(1,168,120)
Net Cash Flows from Investing Activities		-	(1,168,120)
Net Increase In Cash And Cash Equivalent		818,964	564,744
Cash & Cash Equivalent At Start Of The Year	12	10,231,543	9,666,799
Cash & Cash Equivalent At End Of The Year	12	11,050,507	10,231,543

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

Kitui Central Constituency

National Government Constituencies Development Fund (NGCDF)

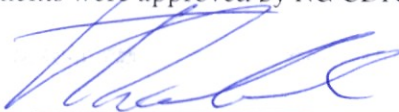
Annual Report and Financial Statements for The Year Ended June 30, 2023

The Constituency financial statements were approved by NG CDFC on 1st/4/ 2024 and signed by:



Fund Account Manager

Name: Josephine Mutua



National Sub-County Accountant

Name: Titus Kimuyu
ICPAK M/No: 27672



Chairman NG-CDF Committee

Name: Justus Mumo

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

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

Receipts/Payments	Original Budget a	Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
	2022/2023			2022/2023 FY	2022/2023 FY		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	10,231,543	-	155,319,146	97,231,543	58,087,603	63%
Proceeds From Sale of Assets							
Other Receipts							
Totals	145,087,603	10,231,543	-	155,319,146	97,231,543	58,087,603	63%
Payments							
Compensation Of Employees	3,848,760	1,964,800		5,813,560	3,386,810	2,426,750	58 %
Committee Expenses	6,116,000	1,870,011		7,986,011	5,736,100	2,249,911	72%
Use Of Goods and Services	3,093,124	300,000		3,393,124	2,557,026	836,098	75%
Transfers To Other Government Units	42,300,000	3,750,000		46,050,000	20,800,000	25,250,000	45%
Other Grants and Transfers	65,278,843	2,332,732		67,611,575	51,606,000	16,005,575	76%
Acquisition of Assets							
Oversight Committee Expenses	1,450,876			1,450,876		1,450,876	0%
Other Payments	23,000,000			23,000,000	2,095,100	20,904,900	9%
Funds Pending Approval**(AIA)		14,000		14,000		14,000	0%
Totals	145,087,603	10,231,543	-	155,319,146	86,181,036	69,138,110	55.5%




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

Explanatory Notes.

- (a) The underutilization on staff salaries was as a result of r funds meant for employees gratuity which and salaries of up to December 2023
- (b) Underutilization on committee expenses, transfer to other government entities, other grants and transfers were as a result of funds which were not yet received from the NGCDF board as at the closure of the financial year.
- (c) The changes between the original and final budget was as a result of the opening balances amounting to Kshs 10,231,543

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	69,138,110
Less undisbursed funds receivable from the Board as at 30 th June 2023	(58,087,603)
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	11,050,507

The Constituency financial statements were approved by NG CDFC on 1st/6/ 2024 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Josephine Mutua	Name: Titus Kimuyu ICPAK M/No: 27672	Name: Justus Mumo

X. 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	3,848,760	1,964,800	-	5,813,560	3,386,810	2,426,750
1.2 Committee allowances	1,886,000	1,870,011	-	3,756,011	2,628,000	1,128,011
1.3 Use of goods and services	2,970,496	300,000	-	3,270,496	1,786,826	1,483,670
Total	8,705,256	4,134,811	-	12,840,067	7,801,636	5,038,431
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,000,000	-	-	1,000,000	202,200	797,800
2.2 Committee allowances	3,230,000	-	-	3,230,000	3,108,100	121,900
2.3 Use of goods and services	122,628	-	-	122,628	-	122,628
Total	4,352,628	-	-	4,352,628	3,310,300	1,042,328
3.0 Emergency						
3.1 Primary Schools	5,000,000	-	-	5,000,000	2,300,000	2,700,000
3.2 Secondary schools	2,000,000	50,000	-	2,050,000	450,000	1,600,000
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	636,190	-	-	636,190	200,000	436,190
3.5 Unutilised	-	-	-	-	-	-
Total	7,636,190	50,000	-	7,686,190	2,950,000	4,736,190

Kitui Central Constituency
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			
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	42,700,661	2,282,732	-	44,983,393	44,983,393	-
4.2 Tertiary Institutions	7,000,000	-	-	7,000,000	2,416,107	4,583,893
4.3 Social Security	1,080,000	-	-	1,080,000	706,500	373,500
4.4 Special Needs	-	-	-	-	-	-
Total	50,780,661	2,282,732	-	53,063,393	48,106,000	4,957,393
5.0 Sports				-	-	-
5.1 Constituency sports tournament	2,401,752	-	-	2,401,752	-	2,401,752
5.2 Regional NGCDF sports tournaments constituency tournaments	500,000	-	-	500,000	-	500,000
Total	2,901,752	-	-	2,901,752	-	2,901,752
6.0 Environment						
6.1 Kamakyuni Sand Dam	560,240	-	-	560,240	-	560,240
6.2 Mumbuni Sand Dam	600,000	-	-	600,000	-	600,000
6.3 Kwa Manza Sand Dam	600,000	-	-	600,000	-	600,000
6.4 Kwa Ngolania Sand Dam	650,000	-	-	650,000	-	650,000
Total	2,410,240	-	-	2,410,240	-	2,410,240
7.0 Primary Schools Projects						

Kitui Central 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			
7.1 Kwa ngindu primary school	9,000,000	-	-	9,000,000	-	9,000,000
7.2 Manyenyoni primary school	9,000,000	-	-	9,000,000	-	9,000,000
7.3 Kanyumu Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.4 Manooni Primary School	1,800,000	-	-	1,800,000	-	1,800,000
7.5 Isevini Primary School	1,800,000	-	-	1,800,000	-	1,800,000
7.6 Mwamba Primary School	2,500,000	-	-	2,500,000	-	2,500,000
7.7 St. Augustine Vui primary school	1,150,000	-	-	1,150,000	1,150,000	-
7.8 Kalimenza primary school	2,000,000	-	-	2,000,000	2,000,000	-
7.9 Kavisi primary school	1,500,000	-	-	1,500,000	1,500,000	-
7.10 Kalivuku primary school	1,500,000	-	-	1,500,000	1,500,000	-
7.12 Nzukini primary school	1,800,000	-	-	1,800,000	1,800,000	-
7.13 St.Andrews Mwala Primary School	1,150,000	-	-	1,150,000	-	1,150,000
7.14 Yumbisye Primary school		360,000		360,000	360,000.00	-
7.15 Ndiani primary school		200,000		200,000	200,000.00	-
7.16 Kalawa Primary school		360,000		360,000	360,000.00	-
7.17 Mutukya Primary school		200,000		200,000	200,000.00	-
7.18 Kavuvoni Primary school		100,000		100,000	100,000.00	-
7.19 Kitui school for mentally handicapped		200,000		200,000	200,000.00	-
7.20 Nyekini Primary school		200,000		200,000	200,000.00	-

Kitui Central 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			
7.21 Central Primary school		1,380,000		1,380,000	1,380,000.00	-
Total	35,200,000	3,000,000	-	38,200,000	12,950,000	25,250,000
8.0 Secondary Schools Projects						-
8.1 St Patrick's Mutukya Secondary School	3,500,000.00	-	-	3,500,000	3,500,000	-
8.2 Kabaa Secondary School	1,800,000.00	-	-	1,800,000	1,800,000	-
8.3 St Andrew's Ivaini secondary School	1,800,000	-	-	1,800,000	1,800,000	-
8.4 Kiviu Secondary school		350,000		350,000	350,000.00	-
8.5 St Patricks ithimani Sec school		400,000		400,000	400,000.00	-
Total	7,100,000	750,000	-	7,850,000	7,850,000	-
9.0 Tertiary institutions Projects						
Total						
10.0 Security Projects						-
10.1 Kitui Prisons Staff Houses	550,000	-	-	550,000	550,000	-
10.2 Kyandui Assistant Chief's office	1,000,000	-	-	1,000,000	-	1,000,000
Total	1,550,000	-	-	1,550,000	550,000	1,000,000
11.0 Acquisition of assets						
Total	-	-			-	

*Kitui Central 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			
12.0 Constituency Oversight Committee						
Accommodation Domestic Travel	300,000	-	-	300,000	-	300,000
Travel costs	240,000	-	-	240,000	-	240,000
Daily subsistence Allowance	100,000	-	-	100,000	-	100,000
Advertising, Awareness and public campaigns	50,876	-	-	50,876	-	50,876
Refined fuels and lubricants for transport	60,000	-	-	60,000	-	60,000
Constituency Oversight Constituency Allowance	700,000	-	-	700,000	-	700,000
13.0 Other payments				-		-
12.1 Rural electrification programme	20,000,000	-	-	20,000,000	-	20,000,000
12.2 Strategic Plan	3,000,000	-	-	3,000,000	2,095,100	904,900
		-	-	-	-	-
Total	23,000,000	-	-	23,000,000	2,095,100	20,904,900
14.0 unallocated fund						
Unapproved projects	-	-	-			-
AIA	-	14,000.00	-			-
PMC savings	-	-	-			

Kitui Central Constituency

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			
Total		-	-		-	
Total	145,087,603	10,231,543		155,319,146	86,181,036	69,138,110

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kitui Central 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 Eequivalent.

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 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.

I. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		
AIE NO. B 096965		33,000,000
AIE NO. B 104621		44,000,000
AIE NO. A 823550		24,000,000
AIE NO. B 124570		5,000,000
AIE NO. B 119516		14,000,000
AIE NO. B 128149		15,000,000
AIE NO. B 119907		35,088,879
AIE NO. B 128461		11,188,879
AIE No.B185123	7,000,000	
AIE No.B185533	6,000,000	
AIE No.B185664	15,000,000	
AIE No.B206157	5,000,000	
AIE No. B206423	12,000,000	
AIE No. B205795	12,000,000	
AIE No.B207657	15,000,000	
AIE No.B207817	15,000,000	
	87,000,000	181,277,758

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Others (specify)	0	0
Total	0	0

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	0	0

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Rents	0	0
Receipts from sale of tender documents	0	0
Hire of plant/equipment/facilities	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	FY 2022-2023	FY 2022-2023
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,850,600	2,872,400
Personal allowances paid as part of salary	0	-
House Allowance	0	-
Transport Allowance	0	-
Leave allowance	0	-
Gratuity to contractual employees	1,429,410	-
Employer Contributions Compulsory national social security schemes	106,800	43,200
Total	3,386,810	2,915,600

5. Committee Expenses

	FY 2022-2023	FY 2022-2023
	Kshs	Kshs
Sitting allowance	3,108,100	3,388,000
Other committee expenses	2,628,000	3,430,060
Total	5,736,100	6,818,060

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6. Use of Goods and services

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	22,336.00	57,103
Communication, supplies and services	56,000	93,750
Domestic travel and subsistence	315,900	302,400
Printing, advertising and information supplies & services	54,000	143,040
Rentals of produced assets	-	-
Training expenses	202,200	800,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	974,200	872,860
Fuel , oil & lubricants	389,400	405,660
Other operating expenses	324,500	525,425
Bank Charges	37,340	63,833
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	16,000	145,975
Routine maintenance- other assets	82,000	22,480
Postal corporation of Kenya	83,150	
Total	2,557,026	3,432,526

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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)	12,950,000	66,800,000
Transfers To Secondary Schools (See Attached List)	7,850,000	20,200,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	20,800,000	87,000,000

8. Other Grants and Other transfers

	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	47,399,500	53,878,500
Bursary – tertiary institutions (see attached list)	-	7,170,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	706,500	708,000
Security projects (see attached list)	550,000	5,500,000
Sports projects (see attached list)	-	5,081,350
Environment projects (see attached list)	-	2,241,778
Emergency projects (see attached list)	2,950,000	4,799,080
Roads projects (see attached list)	-	-
Total	51,606,000	79,378,708

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	
Purchase of Buildings	0	-
Construction of Buildings	0	-
Refurbishment of Buildings	0	-
Purchase of Vehicles and Other Transport Equipment	0	1,168,120
Purchase of Household Furniture and Institutional Equipment	0	-
Purchase of Office Furniture and General Equipment	0	-
Purchase of ICT Equipment, Software and Other ICT Assets	0	-
Purchase of Specialized Plant, Equipment and Machinery	0	-
Rehabilitation and renovation of plant, machinery and equipment	0	-
Acquisition of Land	0	-
Acquisition Intangible Assets	0	-
Total	0	1,168,120

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
	-	-
	-	-
	-	-

11. Other Payments

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Strategic plan	2,095,100	-
ICT Hub	-	-
	2,095,100	-

12. Cash Book Bank Balance

Bank Accounts Name of the bank , account No & currency	2022-2023	2021-2022
	Kshs	Kshs
12A Bank accounts Cash book Balance	11,050,507	10,231,543
National Bank of Kenya, Kitui Central CDF account 01001052093400		
TOTAL	11,050,507	10,231,543
12B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Location(s)		
TOTAL	11,050,507	10,231,543

13. Outstanding Imprests

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

[Include an annex if the list is longer than 1 page.]

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*Notes to the Financial Statement Continued
14. Retention and Gratuity*

14 A. Retention	<i>Insert current FY</i>	<i>Insert previous FY</i>
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

14B. Gratuity

	<i>2022-2023</i>	<i>2022-2023</i>
	KShs	KShs
Retention held during the year (B)	0	-
Gratuity as at 1 st July (A)		241,168
Retention paid during the Year (C)	0	-
Gratuity held during the year (B)	0	-
Closing Retention as at 30 th June D= A+B-C	0	-
Gratuity paid during the Year (C)	0	-
Closing Gratuity as at 30 th June D= A+B-C	0	-

15. Fund Balance B/F

	<i>(1st July 202x-1)</i>	<i>(1st July 202x-2)</i>
	Kshs	Kshs
Bank accounts	10,231,543	9,666,799
Cash in hand	0	-
Imprest	0	-
Total	0	9,666,799
Less		
Payables: - Retention	0	-
Payables - Gratuity	0	-
Fund Balance Brought Forward	10,231,543	9,666,799

[Provide short appropriate explanations as necessary]

16. Prior Year Adjustments

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

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

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

19.3: Unutilized Fund (See Annex 3)

	2022/2023 FY	2021/2022 FY
	Kshs	Kshs
Compensation of employees	2,426,750	1,964,800
Committee expense	2,047,711	-
Use of goods and services	1,038,298	2,170,011
Amounts due to other Government entities (see attached list)	25,250,000.00	-
Amounts due to other grants and other transfers (see attached list)	16,005,575.00	6,082,732
Acquisition of assets		0
Oversight Committee Expenses	1,450,876.00	0
Other Payments (Strategic plan)	20,904,900.00	0
Funds pending approval(AIA)	14,000	14,000
Total	69,138,110	10,231,543

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	3,802,100	6,939,832
Total	3,802,100	6,939,832

XIII. 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 20xx	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Funds

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
1.1 Compensation of employees	Funds meant for staff salaries	2,426,750.00	1,964,800.00	Its an ongoing project
1.2 Committee allowances	Funds for payment for committee expenses	2,047,711.00		Project was ongoing
1.3 Use of goods and services	Funds for operational expenses	1,038,298.00	2,170,011.00	Project was ongoing
Amounts due to other Government entities				
7.1 Kwa ngindu primary school	Construction of 4 classrooms - storey	9,000,000.00		Awaiting funds from the Board
7.2 Manyenyoni primary school	Construction of 4 classrooms - storey	9,000,000.00		Awaiting funds from the Board
7.4 Manooni Primary School	Rehabilitation of classrooms	1,800,000.00		Awaiting funds from the Board
7.5 Isevini Primary School	Rehabilitation of classrooms	1,800,000.00		Awaiting funds from the Board
7.6 Mwamba Primary School	Construction of two classrooms	2,500,000.00		Awaiting funds from the Board
7.13 St.Andrews Mwala Primary School	Construction of one classroom	1,150,000.00		Awaiting funds from the Board
Sub-Total				
Amounts due to other grants and other transfers				
Bursary Tertiary Institutions	Payment of bursary to	4,583,893.00	400,000.00	Awaiting for vetting of the beneficiaries

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	tertiary institutions			
Social Security	Payment of NHIF social security benefits	373,500.00	900,000.00	Awaiting for vetting of the beneficiaries
Emergency	Funds meant for unforeseen occurrences	4,736,190.00	4,782,732.00	Awaiting funds from the Board
Kyandui Assistant Chief's office	Construction of a three roomed chiefs offices	1,000,000.00		Awaiting funds from the Board
Kamakyuni Sand Dam	Construction of sand dam to combat flooding	560,240.00		Awaiting funds from the Board
Mumbuni Sand Dam	Construction of sand dam to combat flooding	600,000.00		Awaiting funds from the Board
Kwa Manza Sand Dam	Construction of sand dam to combat flooding	600,000.00		Awaiting funds from the Board
Kwa Ngolania Sand Dam	Construction of sand dam to combat flooding	650,000.00		Awaiting funds from the Board
Constituency sports tournament	Purchase of sports kits, equipment	2,401,752.00		Awaiting funds from the Board
Regional NGCDF sports tournaments constituency tournaments		500,000.00		Awaiting funds from the Board
Acquisition of assets				
Oversight Committee Expenses(itemize)				
Accommodation Domestic Travel	Payment of domestic	300,000.00		Awaiting funds from the Board

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	travel expenses			
Travel costs	Payment of coc travel expenses	240,000.00		Awaiting funds from the Board
Daily subsistence Allowance	payment of subsistence allowances	100,000.00		Awaiting funds from the Board
Advertising, Awareness and public campaigns	Advertising purposes	50,876.00		Awaiting funds from the Board
Refined fuels and lubricants for transport	Purchase of fuel and lubricants	60,000.00		Awaiting funds from the Board
Constituency Oversight Constituency Allowance	Payment of committee allowances	700,000.00		Awaiting funds from the Board
12.1 Rural electrification programme	Connection of electricity	20,000,000.00		Awaiting funds from the Board
12.2 Strategic Plan	Preparation of a five year strategic plan	904,900.00		Waiting for the final copy of the strategic plan.
Funds pending approval	AIA raised	14,000.00	14,000.00	
Grand Total		69,138,110.00	10,231,543.00	

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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
Land	-	-	-	-
Buildings and structures	11,711,679	-	-	11,711,679
Transport equipment	10,115,120	-	-	10,115,120
Office equipment, furniture and fittings	1,771,076	-	-	1,771,076
ICT Equipment, Software and Other ICT Assets	1,207,531	-	-	1,207,531
Other Machinery and Equipment	600,000	-	-	600,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	25,405,406	-	-	25,405,406

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

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Central Primary school	Sidian	01017030001733		2,525,634
Kavuvomi Primary School	Sidian	01017030000265		48,778
Kiviu Secondary school	Sidian	01017030001923		10
Unyaa Assistant Chiefs office	Sidian	01017030001653		425
St Andrews Mwala Primary school	Sidian	01017030001913		2,000,000
Ndiani Primary school	Sidian	01017030001813		98,615
Kitui Prisons Staff Houses	Sidian	01017030001183		166,245
Vinda Assistant Chiefs Office	Sidian	01017030001843		359,455
Kathungi Chiefs Office	Sidian	01017030001633		49,135
Tlthookwe Primary school	Sidian	0101703000505		1,500,535
Kavuta Primary School	Sidian	01017030001693		191,000
Kabaa Mixed Secondary school	Sidian	01017710000251	1050	
Kalimenza Primary School	Sidian	01017710000241	2,001,050	
Ivaini Secondary school	Sidian	01017710000281	1,800,000	
Total			3,802,100	6,939,832

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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	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	i. The totals of payments made in the bank not yet recorded in the cash books (bank charges or finance cost) for all the twelve bank reconciliations add up to Kshs.304,087 while Note 5 to the financial statement shows bank charges for the year of Kshs.63,833 which is an unexplained variance of Kshs.240,254.	The correct bank charges was Kshs 68,833 and not 304,087.	Resolved	Resolved.

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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)
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	<p>Note 12(A) to the financial statements show a nil closing retention as at 30 June, 2022. However, review of the Fund's disbursement of Kshs.2,000,000 to the project management committee (PMC) of Kavuta primary school revealed that the 1st payment certificate dated 19th May 2022 indicates Kshs.130,000 retention monies which should have been retention held as the 6-month retention period had not lapsed. Similarly, the 2nd payment certificate dated 23rd June 2022 indicates Kshs.155,000 retention monies.</p> <p>In the circumstances, accuracy and completeness of the Nil balance on retention money reported could not be confirmed.</p>	Retention money on PMC Account is not realized in the books as retention money but is captured as PMC balances which was correctly done	Resolved	Resolved
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	The statement of receipts and payments reflects other grants and transfer amounting to Kshs.79,378,708 which include an amount of	The list of disbursement was provided to the audit team as requested	resolved	resolved

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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>Kshs.53,878,500 and Kshs.7,170,000 paid to Secondary Schools and various Tertiary Institutions respectively. However, review of the ledgers to the financial statements and bursary beneficiaries list revealed unexplained and unreconciled variances between the list of bursary beneficiaries and the general Ledgers</p>			
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	<p>The Fund disbursed a total of Kshs.2,000,000 to the project management committee (PMC) of Kavuta primary school that had engaged a contractor for the rehabilitation of eleven classrooms. Review of the supporting documents revealed that the expenditure was not supported with evidence of the appointment process of tender opening and awarding committee members, appointment letters and PMC meeting minutes. Further, there was</p>	<p>The records were available and were availed to the audit team</p>	Resolved	Resolved.

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	no communication or notification of results of the award process made to unsuccessful bidders. In addition, no professional opinion was issued by the Sub County supply chain management officer upon the results of the tender awarding process.			
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	The statement of receipts and payments reflect that the fund incurred expenditure amounting to Kshs.180,713,014 during the year under review. However, the Fund did not prepare and approve a procurement plan that contains a detailed breakdown of goods & services or works required by the NGCDF together with their estimated costs plus deliverables for implementation and the appropriate procurement method for each item as per the third schedule of the of the public procurement and asset disposal regulations 2020. In	This was available and was availed to the audit team	Resolved	Resolved

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	the absence of the procurement plan, the NGCDF may have undergone its annual budget process without the guidance from a procurement plan contrary to section 40(1) of the public procurement and asset disposal regulations 2020			
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	Prison staff houses Four incomplete houses constructed but are not in use even though PIS report shows the houses are complete. Bq specified a total four size 10 windows but only Three windows have been installed. Plastering, painting and flooring yet to be done despite them having been budgeted for in the approved codelist. Wiring & Finishing Yet to be done.	The houses had been considered for additional funding this financial year	Resolved	Resolved
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	Muslim Primary school cracks on the wall -There was evidence of poor workmanship as there are major cracks on the wall	The cracks were not major and were as a result of the foundation settling, however they were rectified.	Resolved	Resolved.
OAG/LER/NGCDF/KTCENTL/2021/2022/(27)	Incomplete Tungutu Chiefs office pit	This was completed	Resolved	Resolved

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	latrine funded via emergency funds door pit latrine constructed & is in use.			
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Josephine Mutua 
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Name
Fund Account Manager.

