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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



KITUI EAST 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)

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

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Kitui East Constituency

National Government Constituencies Development Fund (NGCDF)

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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;

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Kitui East Constituency NGCDF day-to-day management is under the following key organs:

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

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Anthony Munyao Patterson
2.	Sub-County Accountant	Yvonne K. Kimanzi
3.	Chairman NGCDFC	Paul Kimeu Kitutu
4.	Member NGCDFC	Vincent Kyalo Mwandia

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kitui East 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 East Constituency NGCDF Headquarters

P.O. Box 1199-90200
Chuluni Market
Near Nzambani DCC'S Office
Kitui-Mutomo Road
Kitui, KENYA

(e) Kitui East Constituency NGCDF Contacts

Telephone: (254) 726464606
E-mail: cdfkituieast@go.ke
Website: www.ngcdf.go.ke

(f) Kitui East Constituency NGCDF Bankers

Equity Bank
Account Name. Kitui East NG-CDF
Account Number: 0720261343213
Kitui Branch
P.O. Box - 1199-90200
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



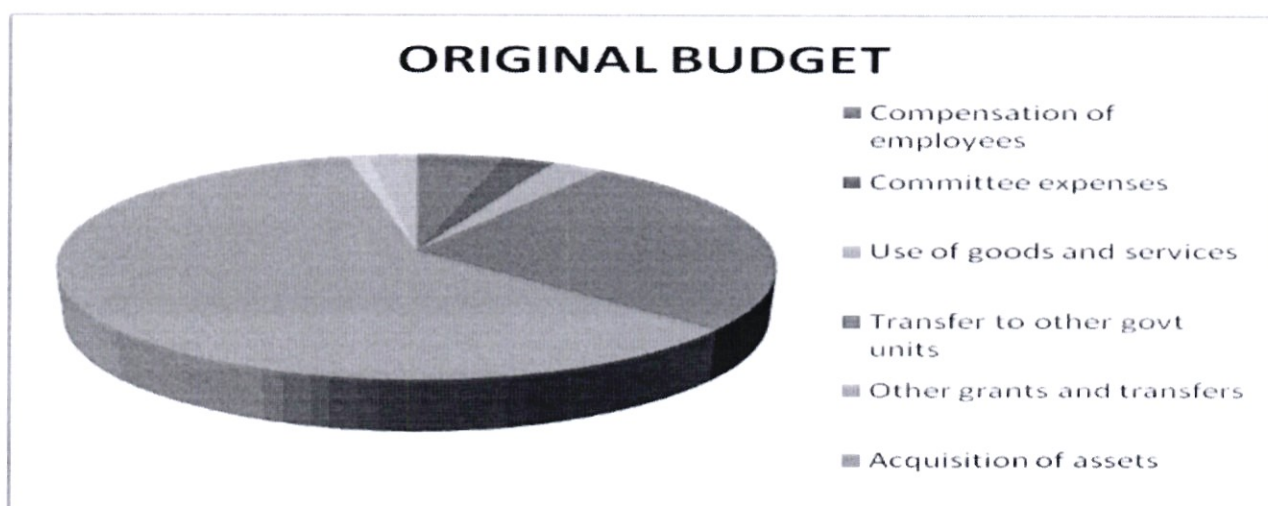
**PAUL KIMEU KITUTU
KITUI EAST NGCDFC CHAIRPERSON**

On behalf of the people of Kitui East constituency and on my own behalf I take this opportunity to present the un audited financial report for NGCDF Kitui East for fy 2022-2023. Under my leadership, I would like to report that we are on the right track with regard to developing of NGCDF Kitui East strategic plan for 2022-2027. Most of the key objective as envisaged in the strategic plan of fy 2017-2022 have been met despite resource constraints. With support of the committee and the area Member of Parliament, I am confident that by the end of 2023 a new strategic plan will be in place and it will be a road map in guiding the constituency in realizing the socio economic goals and objectives of the constituency.

The NGCDF Kitui East had an approved final budget of ksh 164,114,316 in the financial year 2022-2023 however the actual on comparable basis in FY 2022-2023 was ksh 64,706,995 comprising of a cash book opening balance of ksh 6,154,142 as at 1st of July 2022 and AIEs received during the financial year under review of ksh 88,000,000. It should not escape our mind that this has been a very difficult year again. The Covid 19 pandemic impacted negatively on our country and the whole world at large. This led to delays or rather reallocation of scarce resources by the National Government. Most of the funds were channelled to the health sector in order to minimize the negative effects of this pandemic. This is clearly depicted in low budget utilization. The diagrams below show budgets, and utilization of funds in FY 2022-2023

TABLE OF ORIGINAL BUDGET

ITEM	ORIGINAL BUDGET
Compensation of employees	6,142,950
Committee expenses	3,714,800
Use of goods and services	3,818,665
Transfer to other govt units	36,400,000
Other grants and transfers	81,264,157
Acquisition of assets	2,000,000
Oversight committee expenses	1,519,602
Other payments	3,500,000
total	138,360,174



1. Graph showing original budget

TABLE OF ACTUAL UTILIZATION

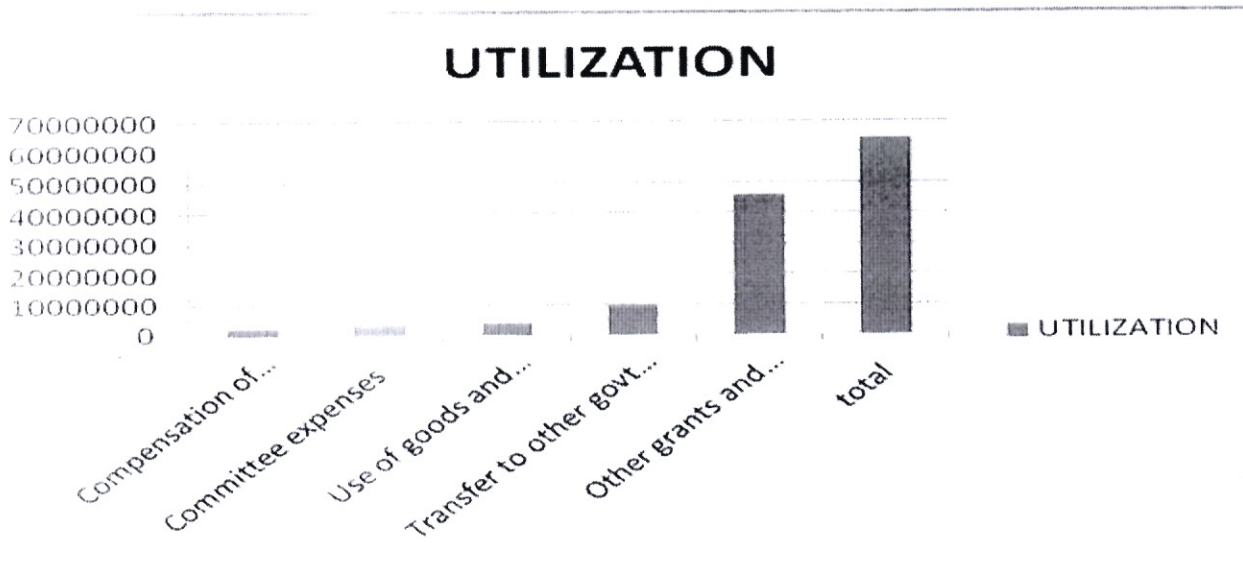
ITEM	UTILIZATION
Compensation of employees	2,018,509
Committee expenses	3,414,060
Use of goods and services	3,632,497
Transfer to other govt units	9,350,000
Other grants and transfers	46,291,929

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Acquisition of assets	-
Oversight committee expenses	-
Other payments	-
total	64,706,995



Graph showing actual utilization

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

Achievements during the financial year

- NGCDFC Kitui east managed to curb drought through distribution of food and non-food items.
- NGCDF Kitui east managed to improve transition of students from both primary and secondary schools by issuing bursary to 3,000 students within the constituency

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KEY ACHIEVEMENTS

During the FY 2022-2023, we managed to implement some of the following project listed below:

1. CONSTRUCTION OF MUTITU COUNTY COMMISSIONER OFFICE.



Mutitu County Commissioner Office is located at Mutitu/Kaliku Ward. The office block is complete and the project is the pride of kitui east constituency because a safe and comfortable working space will be available for the staff. The project is a clear indication of the milestones kitui east NGCDF is willing to take to achieve modern office facilities and promote the big 4 agenda

2. KILONZO PRIMARY SCHOOL -CONSTRUCTION OF PERIMETER WALL.



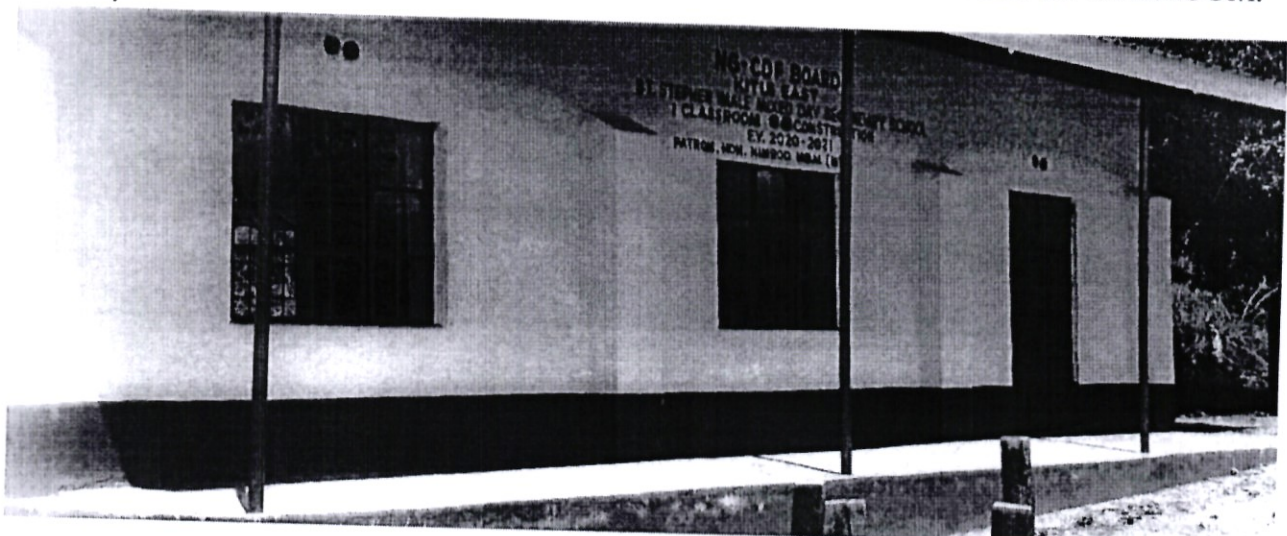
Kilonzo Primary School is located at Nzambani Ward. The Perimeter Wall is complete and the project is the pride of kitui east constituency because a safe and comfortable school environment will be available for the students. The project is a clear indication of the milestones kitui east NGCDF is willing to take to achieve safe educational facilities .

3. VOO ASSISTANT COUNTY COMMISSIONER -CONSTRUCTION OF OFFICE BLOCK.



Voo assistant county commissioner's office is located at Mutitu Sub-County, Voo Kyamatu Ward. The office block is complete and the project is the pride of kitui east constituency because a safe and convenient work environment will be available for the County commissioner and his staff.

4. ST. STEPHEN IMALE MIXED DAY SECONDARY SCHOOL- CONSTRUCTION OF CLASSROOM.



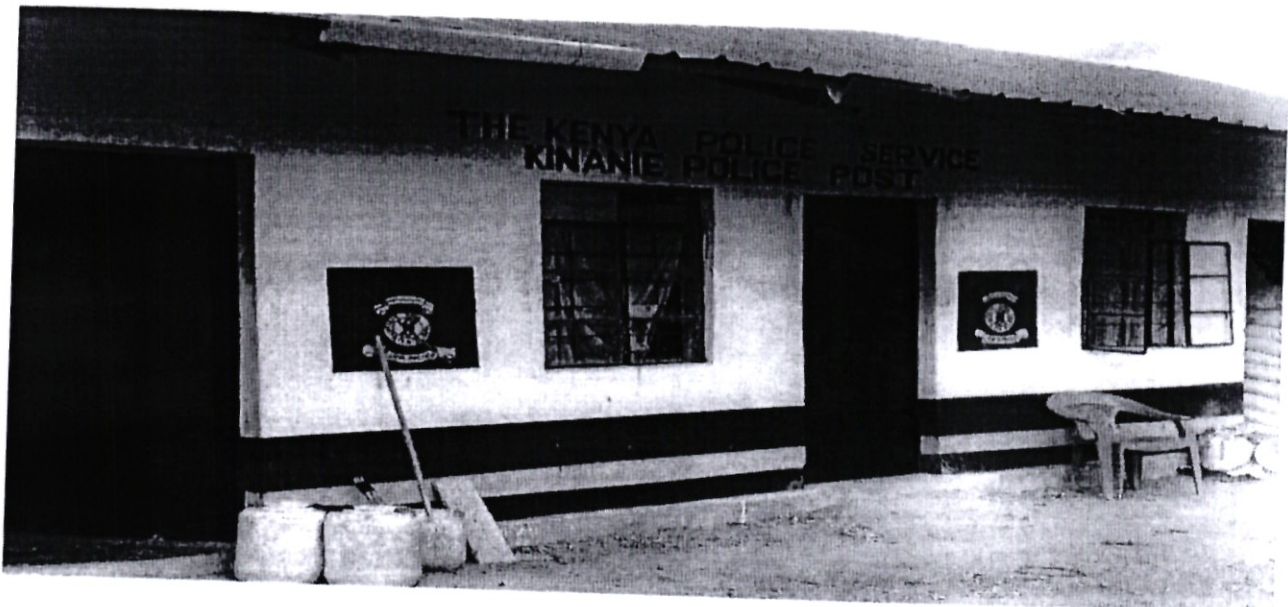
St. Stephen Imale Mixed Day Secondary School is located at Mutitu Sub-County, Voo Kyamatu Ward. The classroom is complete and the project is the pride of kitui east constituency because a safe and convenient learning environment will be available for the students. The project is a clear indication of the milestones kitui east NGCDF is willing to take to achieve safe educational facilities

5. KAWALA PRIMARY SCHOOL -RENOVATION OF 3NO. OF CLASSROOM BLOCK.



Kawala Primary School is located at Zombe/Mwitika Ward. The classroom is still under construction and the project is the pride of Kitui East Constituency because a safe and convenient learning environment will be available for the students.

6. CONSTRUCTION OF KINANIE POLICE POST.



Kinanie Police Post is located at Kinanie Market, Endau/Malalani Ward. The offices are completed and the project is the pride of Kitui East Constituency because security will be enhanced within the constituency.

Emerging Issues

- Kitui East Constituency is faced with insecurity challenges and as a result we received proposals which are recurrent in nature and cannot be implemented as a project under the current NGCDF act of 2015.

Implementation Challenges

- The late disbursement of funds from the NGCDF board hinders implementation of projects within the financial year.
- Kitui East constituency is faced with high unemployment rate among the youth
- Poor infrastructure especially impassable roads
- The vastness of the constituency
- High poverty index in the constituency
- Illiteracy level in the constituency

Way forward

- late disbursement of funds can be solved if funds are remitted in time
- To address this pertinent issue, the NGCDF committee through public participation have come up with interventions such as skills mtaani, driving school bursary award and building a resource centre that will be able to address these challenges.
- The NG-CDF management is seeking partnership with other government entities responsible for establishment of access roads so that they help make all places accessible. Additionally Kitui East NG-CDF has ordered for office motor vehicle Toyota land cruiser which shall help out during monitoring of projects.



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PAUL KIMEU KITUTU
CHAIRMAN NGCDF COMMITTEE

IV. Statement of Performance against Predetermined Objectives for FY2022/23

Introduction

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

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

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve school performance in national examinations as well as retention	Increased enrolment in primary schools and improved transition to	number of usable physical infrastructure build in primary,	In FY 2022/23 -we increased number of classrooms from 380 to 382 in primary schools.

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	and transitioning to higher levels of learning	secondary schools and tertiary institutions	secondary, and tertiary institutions number of bursary's beneficiaries at all levels	We also increased number of classrooms from 122 to 124 in secondary schools. - Kitui East NG-CDF managed to issue bursaries to 9,200 students in secondary schools and 620 students in tertiary institutions.
Security	To improve the current security infrastructures in the constituency	Increased in security Infrastructure	-Number of chief offices built, number of police station built, Number of perimeter wall built	The NGCDF Kitui East has managed to build chiefs offices at Zombe, DCC office at Mutitu, ACC office at Voo, Kinakoni Police Post, among others.
Environment	To improve supply of adequate, portable and safe water for domestic and public use in institutions as well as irrigation and livestock	Increased number of sand dams	Number of sand dams constructed within the FY	In fy 2022-2023 increased number of sand dams from 23 to 26.

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	consumption			
Sports	To improve the current sports & creative art kits in the constituency	Increased support for different teams	Number of sports kits and equipment for various sporting activities	Different sports discipline were contacted and provision of sporting gears. 30 teams within the Kitui East constituency benefited from the sports kitty.
Emergency	To improve NG-CDF constituency response to emergency cases	Increased support in emergency cases	Number of emergency cases	Kitui East NG-CDF managed to respond to 10 emergency cases within the constituency.
Youth, women and PWDS empowerment	To increase participation of youth, women and PWDs in NG-CDF activities as well as general development in the constituency	Increased number of youth, women and PWDs empowerment activities	Number of tenders awarded to the special categories	Number of tenders awarded was 3 out of 14

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

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

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

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the

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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 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 Kitui East 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 December. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Henry Otieno	Chairman
2	Antony Munyao	Secretay
3	Phoebe Paul	Member
4	Enoch Mauta	Member

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

S/N	Name	Category representation	Ward
1.	John Kilonzo	Male (Youth)	Zombe/Mwitika
2.	Vincent Mwandia	Man(Adult)	Voo/Kyamatu
3.	Ruth Mbeti	Woman(Youth)	Chuluni
4.	Joyce Mumo	Woman(Adult)	Nzambani

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Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Muia Mulatya	Representative of persons with Disability	Voo/Kyamatu

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Rev. Bretta Simba	Nominee of the Constituency Office (Female)	Mutitu/Kaliku
2	Paul Kimeu Kitutu	Nominee of Constituency Office (Male)	Voo/Kyamatu

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.	Petronic Mwambi	Male	Endau/Malalani

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

1. Chairperson position – Paul Kimeu Kitutu
2. Secretary position –Vincent Kyalo Mwandia

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 254 29-11-2022 on 29th November 2022. The committee had its first meeting on 14th December 2022.

Sno.	Name	Position
1	Paul Kimeu Kitutu	Chairperson
2	Rev. Bretta Simba	Member
3	Muia Mulatya	Member
4	Ruth Mbeti	Member
5	Joyce Mumo	Member
6	Vincent Kyalo Mwandia	Secretary
7	John Kilonzo	Member
8	Henry Otieno	Member
9	Antony Munyao	Member
10	Petronic Mwambi	Member

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 east 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.
- 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 April 2023 and Sai Rock Hotel, Mombasa. 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 east

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 east held 12 meetings through the year for the current committee as illustrated as follows;

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Schedule of meetings held during the financial year 2022-2023

S.No	NG-CDFC COMMITTEE MEMBERS	14/ 12/ 22	20/ 01/ 23	01/ 02/ 23	16/ 02/ 23	02/ 03/ 23	22/ 03/ 23	4/0 4/2 3	20/ 04/ 23	05/ 05/ 23	25/ 05/ 23	07/ 06/ 23	21/ 06/ 23
1	Chairperson Paul Kimeu Kitutu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Secretary Rev. Bretta Simba	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Muia Mulatya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Ruth Mbeti	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Joyce Mumo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Vincent Kyalo Mwandia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	John Kilonzo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Henry Otieno	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Antony Munyao	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Petronic Mwambi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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 East 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. 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 East 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 East 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,

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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 the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

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

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

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

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

2. Environmental performance

Kitui East Constituency is situated in arid areas and therefore the NG-CDF do not consider tree planting because of lack of sustainability in terms of seasonal rains.

Kitui East NG-CDF implemented three sand dams within the financial year which was to help in conservation of environment through retention of sand and making available water for agricultural use. The sand dams were; Katikoni sand dam, Kwa Samburu-Ngelani sand dam, and Kwa Kitheka-Matia sand dam.

3. Employee welfare

We invest in providing the best working environment for our employees. Kitui East 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 East 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 East NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kitui East 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.

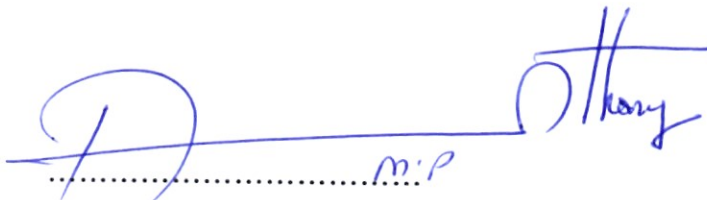
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The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

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



Anthony Munyao Patterson
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 East 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 East 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 in charge of the NGCDF- Kitui East 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 East 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

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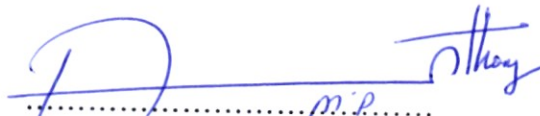
for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kitui East Constituency financial statements were approved and signed by the Accounting Officer on 4th 4th 2023.



.....
Paul Kimeu Kitutu
Chairman – NGCDF Committee



..... M.P.....
Anthony Munyao Patterson
Fund Account Manager

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUI EAST 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 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 East Constituency set out on pages 1 to 45,

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 East 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. Inaccuracies in the Summary Statement of Appropriation

The summary statement of appropriation reflects transfers from the Board of Kshs.64,706,995 while both the statements of receipts and payments and cash flows disclosed a balance of Kshs.88,000,000 resulting to unreconciled and unconfirmed variance of Kshs.23,293,005.

In the circumstances, the accuracy and completeness of the summary statement of appropriation could not be confirmed.

2. Non-Disclosure of Pending Staff Payables

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects an amount of Kshs.2,018,509 in respect of compensation of employees. Review of staff records revealed that the Fund had pending staff payable of Kshs.630,724 being accumulated salaries for four months, between September, 2022 to December, 2022. The amount was not disclosed in the financial statements as required by the National Government Constituencies Development Fund financial template.

In the circumstances, the accuracy and completeness of the compensation of employees amount of Kshs.2,018,509 could not be confirmed.

3. Inaccuracies of Cash and Cash Equivalentents

The statement of assets and liabilities and Note 12A to the financial statements reflects cash and cash equivalentents balance of Kshs.29,819,881. However, review of bank reconciliation statement for the month of June, 2023 revealed unrepresented cheques totalling Kshs.450,978 out of which Kshs.8,000 relates to three (3) stale cheques, thus understating the bank balance by the same amount.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.29,819,881 could not be confirmed.

4. Unsupported Payments

The statements of receipts and payments and Note 6 to the financial statements reflects use of goods and services amount of Kshs.3,632,497. Review of expenditure records revealed that the payment vouchers amounting to Kshs.831,000 were not properly supported with invoices, approvals and minutes.

In the circumstances, the accuracy and completeness of use of goods and services payments amounting to Kshs.831,000 could not be confirmed.

5. Lack of Ownership Documents

The statement of receipts and payments and Note 7 to the financial statements reflects transfers to other Government units amounting to Kshs.9,350,000 which includes an amount of Kshs.100,000 for purchase of one (1) acre piece of land for a local secondary school. However, the land lacked ownership documents in the name of the school. Further, the school registration certificate by the Ministry of Education was not provided to confirm if indeed the school was a public school.

In the circumstances, the ownership of the land 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 East 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 final receipts budget and actual on comparable basis of Kshs.164,114,316 and Kshs.64,706,995 respectively resulting to an under-funding of Kshs.99,407,321 or 61% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has however, not resolved the issues or 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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Staff Recruitment

During the year under review, the Fund recruited Clerk of Works, Accounts Clerk, ICT Officer, security personnel and office cleaner. However, there was no evidence of competitive recruitment process as there was no recruitment resolution from National Government Constituencies Development Fund Committee, advertisement for the positions, shortlisting, score sheets and the minutes for the interviewers.

In the circumstances, the regularity of the recruitment process could not be confirmed.

2. Irregularities on Emergency Projects

2.1 Payment for Works Not Done

The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers amounting to Kshs.46,291,929 which includes Kshs.7,500,000 in respect to emergency projects. Included in the amount is Kshs.1,000,000 for construction of 2-door pit latrine and renovation of 1 classroom at a local primary school. Physical inspection done on 11 March, 2024 revealed that the contractor did not construct the toilet despite having been paid the full cost. Further, there was poor workmanship on the classroom which had also not been branded. In addition, Project Management Committee account balances for the projects were not provided for audit review.

2.2 Poor workmanship

The statement of receipts and payments and Note 8 to the financial statements reflects other grants and transfers amounting to Kshs.46,291,929 which includes Kshs.7,500,000

in respect to emergency projects. Included in the amount is Kshs.1,000,000 for construction of 2-door pit latrine and renovation of one (1) classroom at a local boys secondary school. Physical inspection done on 11 March, 2024 revealed that the floor works was poorly done, with one classroom having a completely worn out floor. The contractor reused the two steel doors instead of fixing a new one as specified in the Bills of Quantities. Further, the project had not been branded and electrical works not done. In addition, Project Management Committee account balances for the projects were not provided for audit.

In the circumstances, value for the money spent on the two projects could not be confirmed.

3. Irregularities in Projects Procurement and Implementation

The statement of receipts and payments and Note 7 to the financial statements reflects transfers to Other Government Units amounting to Kshs.9,350,000 which is equivalent to the amount transferred to primary and secondary schools. However, the following anomalies were noted;

- a) Included in Kshs.9,350,000 is an amount of Kshs.1,500,000 for fencing of 2.5 acres of land at a local primary school. However, review of Project Management Committee file revealed that only Kshs.950,000 was paid for the same resulting to a variance of Kshs.550,000 which was not explained. Further, notification of awards, regret letters and contract agreements were not issued to successful and unsuccessful bidders.
- b) Included in Kshs.9,350,000 is an amount of Kshs.2,400,000 for construction of two (2) classrooms to completion at a local primary school and a local secondary school. However, review of the procurement records revealed that notification of awards, regret letters and contract agreements were not issued to successful and unsuccessful bidders.

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

The audit was conducted in accordance with the 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, based on the audit procedures performed, except for the matters described in the Basis for Effectiveness of

Internal Controls, Risk Management and Governance, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Disaster Recovery Plan

Review of the internal control systems for the Fund revealed that it did not have in place a disaster recovery plan/ business continuity plan. Thus, the Fund lacked a blue print for identifying, preventing and mitigating against risks and disasters to ensure that its operations are not interrupted in case of unforeseen event.

In the circumstances, the Fund Management is exposed to the risk of business interruption in an event of disaster.

2. Lack of Schedule of Meetings

Analysis of project file and records provided indicated that there was no evidence that the Secretary to the Constituency Committee at the beginning of every financial year and in consultation with the Officer of the Board seconded to the Constituency, prepared and tabled before a Constituency Committee, a schedule of meetings to be held during the year.

In the circumstances, the effectiveness of governance of the Fund could not be guaranteed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing as applicable, and 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 comply with the authorities, which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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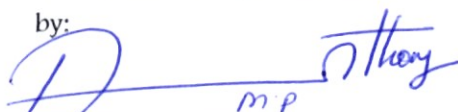
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023 FY	2021-2022FY
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	88,000,000	189,677,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		88,000,000	189,677,758
Payments			
Compensation Of Employees	4	2,018,509	8,320,206
Committee expenses	5	3,414,060	3,355,983
Use Of Goods and Services	6	3,632,497	4,158,413
Transfers To Other Government Units	7	9,350,000	93,870,000
Other Grants and Transfers	8	46,291,929	99,104,633
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		64,706,995	208,809,235
Surplus/(Deficit)		23,293,005	(19,131,477)

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

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

by:


 mp

Fund Account Manager

Anthony Munyao Patterson



National Sub-County
 Accountant

Yvonne Kimanzi
 ICPAK M/No:17471



Chairman NG-CDF
 Committee

Paul Kimeu Kitutu

Kitui East Constituency

National Government Constituencies Development Fund (NGCDF)

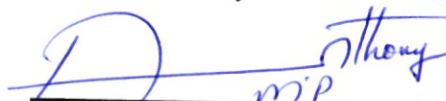
Annual Report and Financial Statements for The Year Ended June 30, 2023

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


	Note	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	29,819,881	6,154,142
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		29,819,881	6,154,142
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		29,819,881	6,154,142
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	372,735	-
Total Financial Liabilities		-	-
Net Financial Assets		29,447,146	6,154,142
Represented By			
Fund Balance B/Fwd	15	6,154,142	25,285,616
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		23,293,005	(19,131,477)
Net Financial Position		29,447,146	6,154,139

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

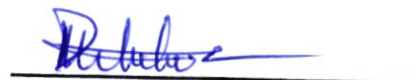
The Constituency financial statements were approved by NG CDFC on 4.4. 2023 and signed by:


Fund Account Manager

Anthony Munyao Patterson


National Sub-County
Accountant

Yvonne Kimanzi
ICPAK M/No:17471


Chairman NG-CDF
Committee

Paul Kimeu Kitutu

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

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

	Notes	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	88,000,000	189,677,758
Other Receipts	3	-	-
Total Receipts		88,000,000	189,677,758
Payments			
Compensation Of Employees	4	2,018,509	8,320,206
Committee Expenses	5	3,414,060	3,355,983
Use Of Goods and Services	6	3,632,497	4,158,413
Transfers To Other Government Units	7	9,350,000	93,870,000
Other Grants and Transfers	8	46,291,929	99,104,633
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		64,706,995	208,809,235
Total Receipts Less Total Payments		23,293,005	(19,131,477)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		23,293,005	(19,131,477)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(-)	(-)
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		23,293,005	(19,131,477)
Cash & Cash Equivalent At Start Of The Year	12	6,154,142	25,285,616
Cash & Cash Equivalent At End Of The Year	12	29,447,147	6,154,142

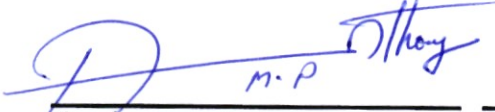
Kitui East Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

The Constituency financial statements were approved by NG CDFC on 4.4 2023 and signed by:




Fund Account Manager

Anthony Munyao Patterson



National Sub-County
Accountant

Yvonne Kimanzi
ICPAK M/No:17471



Chairman NG-CDF
Committee

Paul Kimeu Kitutu



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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c%
	<i>2022-2023 FY</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2022-2023 FY</i>	<i>2022-2023 FY</i>		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	151,960,174	6,154,142	6,000,000	164,114,316	64,706,995	99,407,321	
Proceeds From Sale of Assets	-	-	-	-	-	-	
Other Receipts	-	-	-	-	-	-	
Totals	151,960,174	6,154,142	6,000,000	164,114,316	64,706,995	99,407,321	57.4%
Payments							
Compensation Of Employees	6,142,950	12,000	-	6,154,950.00	2,018,509	4,136,441	32.8%
Committee Expenses	3,714,800	632,460	-	4,347,260.22	3,414,060	933,200	
Use Of Goods and Services	3,818,665	1,396,060	-	5,214,724.98	3,632,497	1,582,228	69.7%
Transfers To Other Government Units	36,400,000	3,650,000	-	40,050,000.00	9,350,000	30,700,000	23.3%
Other Grants and Transfers	81,264,157	216,622	-	81,480,778.64	46,291,929	35,188,849	56.8%
Acquisition of Assets	2,000,000	-	6,000,000	8,000,000.00	-	8,000,000	0.0%

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

Receipts/Payments	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %	
	2022-2023 FY	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023 FY	2022-2023 FY			
Receipts								
Other Payments	3,500,000	-	-	3,500,000.00	-	3,500,000.00	0.0%	
Oversight Committee Expenses	1,519,602	-	-	1,519,602.00	-	1,519,602.00	0.0%	
Unallocated funds		247,000	-	247,000.00		247,000	0.0%	
Funds Pending Approval**	13,600,000			13,600,000		13,600,000	0.0%	
Totals	151,960,174	6,154,142	6,000,000	164,114,316	64,706,995	99,407,321	39.4%	

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

Explanatory Notes.

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

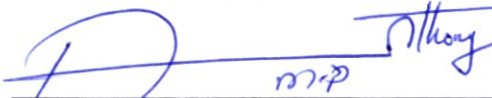
1. Compensation Of Employees achieved 32.8% because the constituency had interns who are paid lower than the employed staff.
2. Use Of Goods and Services 69.7% achieved this utilization because late funding
3. Capacity building did not achieve 100% due to late funding
4. Transfers To Other Government Units achieved 56.8% due to late funding.

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IFSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

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


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	99,407,321
Less undisbursed funds receivable from the Board as at 30 th June 2023	(69,960,174)
	29,447,146
Add Accounts payable	372,735
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the 30 th June 2023	29,819,881

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



Fund Account Manager

Anthony Munyao Patterson



National Sub-County Accountant

Yvonne Kimanzi
ICPAK M/No:17471



Chairman NG-CDF Committee

Paul Kimeu Kitutu

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,142,950	12,000	-	6,154,950	2,018,509	4,136,441
1.2 Committee allowances	1,586,800	549,680	-	2,136,480	2,121,280	15,200
1.3 Use of goods and services	1,387,860	91,867.50	-	1,479,728	1,307,737	171,991
Sub-total	9,117,610	653,548	-	9,771,158	5,447,526	4,323,632
2.0 Monitoring and evaluation						
2.1 Capacity building	400,000	770,970.14	-	1,170,970	839,741	331,229
2.2 Committee allowances	2,128,000	82,780	-	2,210,780	1,292,780	918,000
2.3 Use of goods and services	2,030,805	533,221.39	-	2,564,026	1,485,020	1,079,006
Sub-total	4,558,805	1,386,972	-	5,945,777	3,617,541	2,328,236
3.0 Emergency						
3.1 Primary Schools	4,100,000			4,100,000	4,100,000	-
3.2 Secondary schools	2,800,000			2,800,000	2,800,000	-
3.3 Tertiary institutions	-			-	-	-
3.4 Security projects	600,000			600,000	600,000	-
3.5 Unutilised	136,190	11,511		147,701	-	147,701
Sub-total	7,636,190			7,647,701	7,500,000	147,701

*Kitui East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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			
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	30,049,560		-	30,049,560	28,973,911	1,075,648
4.3 Tertiary Institutions	20,000,000	5,111	-	20,005,111	3,539,611	16,465,500
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-
Sub-total	50,049,560	5,111	-	50,054,671	32,513,522	17,541,148
5.0 Sports						
5.1 Kitui East Sports	3,039,203	-	-	3,039,203	3,039,203	-
Sub-total	3,039,203	-	-	3,039,203	3,039,203	-
6.0 Environment						
6.1 KATIKONI SAND DAM	1,013,068			1,013,068	1,013,068	-
6.2 KWA SAMBURU-NGELANI S/DAM	1,013,068			1,013,068	1,013,068	-
6.3 KWA KITHEKA MATIA S/DAM	1,013,068			1,013,068	1,013,068	-
Sub-total	3,039,204			3,039,204	3,039,204	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 MUTULUNI PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.2 KATUNDU PRIMARY SCHOOL	1,000,000			1,000,000		1,000,000
7.3 KATOLONGWE PRIMARY SCH.	1,200,000			1,200,000		1,200,000
7.4 NZOOKONI PRIMARY SCHHOL	1,200,000			1,200,000		1,200,000
7.5 ITIKIE PRIMARY SCHOOL	1,200,000			1,200,000	1,200,000	-

*Kitui East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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			
7.6 KATIKONI PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.7 KONGOWEA PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.8 MALEMBWA PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.9 YAWII PRIMARY SCHOOL	1,000,000			1,000,000		1,000,000
7.10 KISIUNI PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.11 MAVULYA PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.12 KOI PRIMARY SCHOOL	1,200,000			1,200,000	1,200,000	-
7.13 KASUNGUNI PRIMARY SCHOOL	500,000			500,000		500,000
7.14 NGUUNI PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.15 KAWALA PRIMARY SCHOOL	3,000,000			3,000,000		3,000,000
7.16 KATOONI PRIMARY SCHOOL	600,000			600,000		600,000
7.17 INYOOKONI PRIMARY SCH	600,000			600,000		600,000
7.18 MUSIVA PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.19 KATHAMBA PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.20 KIINI PRIMARY SCHOOL	600,000			600,000		600,000
7.21 NGELANI PRIMARY SCHOOL	2,000,000			2,000,000		2,000,000
7.22 KILONZO PRIMARY SCHOOL	1,500,000			1,500,000	1,500,000	-
7.23 NGAMU PRIMARY SCHOOL	1,200,000			1,200,000		1,200,000
7.24 MASIKALINI PRI. SCHOOL		150,000		150,000	150,000	-
7.25 MUSIVA PRIMARY SCHOOL		300,000		300,000		300,000
7.26 MATUNDU PRIMARY SCHOOL		150,000		150,000	150,000	-

Kitui East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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			
7.27 KAAYO PRIMARY SCHOOL		150,000		150,000	150,000	-
7.28 MANYOENI PRIMARY SCHOOL		500,000		500,000	500,000	-
7.29 MATUNDU PRIMARY SCHOOL		500,000		500,000	500,000	-
7.30 YAWII PRIMARY SCHOOL		500,000		500,000	500,000	-
Sub-total	27,600,000	2,250,000	-	29,850,000	5,850,000	24,000,000
8.0 Secondary Schools Projects (List all the Projects)						
8.1 THUA SECONDARY SCHOOL	500,000			500,000		500,000
8.2 KALIKU BOYS SEC. SCHOOL	2,000,000			2,000,000		2,000,000
8.3 KYANZAI SECONDARY SCHOOL	1,200,000			1,200,000	1,200,000	-
8.4 YIUKU SECONDARY SCHOOL	1,200,000			1,200,000		1,200,000
8.5 KINANIE SECONDARY SCHOOL	1,200,000			1,200,000	1,200,000	-
8.6 KAUMU SECONDARY SCHOOL	1,200,000			1,200,000		1,200,000
8.7 MWITIKA BOYS SEC.SCHOOL	500,000			500,000		500,000
8.8 MWITIKA BOYS SEC. SCHOOL	1,000,000			1,000,000		1,000,000
8.9 MWITIKA BOYS SEC. SCHOOL		500,000		500,000	500,000	
9.0 KAMWIU SECONDARY SCH.		100,000		100,000	100,000	
9.1 MWITIKIA BOYS SEC. SCHOOL		300,000		300,000	-	300,000
9.2 MWITIKA BOYS SEC. SCHOOL		500,000		500,000	500,000	-
Sub-total	8,800,000	1,400,000	-	10,200,000	3,500,000	6,700,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						

*Kitui East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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			
9.2						
Sub-total						
10.0 Security Projects						
10.1 ENDAU POLICE POST	1,000,000			1,000,000		1,000,000
10.2 KINAKONI POLICE POST	1,000,000			1,000,000		1,000,000
10.3 ZOMBE CHIEFS OFFICE	2,000,000			2,000,000		2,000,000
10.4 ZOMBE POLICE STATION	3,500,000			3,500,000		3,500,000
10.5 THUA ACC OFFICE	500,000			500,000		500,000
10.6 THUA ACC OFFICE	500,000			500,000		500,000
10.7 NZAMBANI POLICE STATION	1,000,000			1,000,000		1,000,000
10.8 MUTITU DCC OFFICE	4,000,000			4,000,000		4,000,000
10.9 VOO ACC OFFICE	500,000			500,000		500,000
10.10 TWAMBUI POLICE POST	500,000			500,000		500,000
10.11 ILILUNI POLICE POST	3,000,000			3,000,000		3,000,000
10.12 IMUUMBA POLICE POST	-	200,000		200,000	200,000	-
Sub-total	17,500,000	200,000	-	17,700,000	200,000	17,500,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	2,000,000	-	6,000,000	8,000,000	-	8,000,000
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						

Kitui East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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			
11.5 Purchase of land						
Sub-total	2,000,000	-	6,000,000	8,000,000	-	8,000,000
12.0 Oversight Committee Expenses (itemize)						
COC-ACCOMODATION	250,000	-	-	250,000	-	250,000
COC-DOMESTIC TRAVEL	250,000	-	-	250,000	-	250,000
COC-HIRE OF TRAINING FACILITIES	200,000	-	-	200,000	-	200,000
COC-REMUNERATION OF INSTRUCTORS/SERVICE	119,602	-	-	119,602	-	119,602
COC-ALLOWANCES	500,000	-	-	500,000	-	500,000
COC- OTHER EXPENSES	200,000	-	-	200,000	-	200,000
Sub-total	1,519,602	-	-	1,519,602	-	1,519,602
13.0 Others						
13.1 Strategic Plan	3,500,000	-	-	3,500,000	-	3,500,000
13.2 Innovation Hub	-	-	-	-	-	-
Sub-total	3,500,000	-	-	3,500,000	-	3,500,000
Funds pending approval**						
14.1 KYUUSYANI PRL.SCHOOL	1,000,000	-	-	1,000,000	-	1,000,000
14.2 MANZINI PRIMARY SCHOOL	1,000,000	-	-	1,000,000	-	1,000,000
14.3 IVINGA NZIA PRIMARY SCHOOL	600,000	-	-	600,000	-	600,000
14.4 KYANIKA SECONDARY	1,000,000	-	-	1,000,000	-	1,000,000
14.5 MANYOENI SEC.SCHOOL	2,000,000	-	-	2,000,000	-	2,000,000

*Kitui East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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			
14.6 MALATANI M. SEC. SCHOOL	1,000,000	-	-	1,000,000	-	1,000,000
14.7 MALATANI ASST.CHIEFS OFFICE	1,000,000	-	-	1,000,000	-	1,000,000
14.8 KANDONG'O ASST CHIEF OFFICE	400,000	-	-	400,000	-	400,000
14.9 YULAMBU ASST CHIEFS OFFICE	600,000	-	-	600,000	-	600,000
14.10 MUTITU ACC OFFICE	5,000,000	-	-	5,000,000	-	5,000,000
Total	13,600,000	-	-	13,600,000	-	13,600,000
15.0 A.I.A						
		247,000	-	247,000	-	247,000
TOTAL	151,960,174	6,154,141	6,000,000	164,114,315	64,706,995	99,407,320

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)
Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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National Government Constituencies Development Fund (NGCDF)

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023 FY	2021-2022 FY
NGCDF Board	Kshs	Kshs
AIE NO B185124	7,000,000	
AIE NO B185534	6,000,000	
AIE NO B185665	15,000,000	
AIE NO B206158	5,000,000	
AIE NO B206424	12,000,000	
AIE NO B 205942	12,000,000	
AIE NO B207658	16,000,000	
AIE NO B207818	15,000,000	
AIE NO B 140811		7,500,000
AIE NO B 140957		33,000,000
AIE NO B 105391		34,000,000
AIE NO B 105606		10,000,000
AIE NO B 105823		22,000,000
AIE NO B 128567		6,000,000
AIE NO B 128879		12,000,000
AIE NO B 154077		16,000,000
AIE NO B 164416		37,088,879
AIE NO B 155971		12,088,879
TOTAL	88,000,000	189,677,758

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2. Proceeds From Sale of Assets

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

3. Other Receipts

	<i>2022-2023 FY</i>	<i>2021-2022 FY</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

Kitui East Constituency

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022-2023 FY</i>	<i>2021-2022 FY</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,122,654	4,071,570
Personal allowances paid as part of salary		
House Allowance	176,950	630,325
Transport Allowance	206,000	748,000
Leave allowance	-	52,000
Interns allowances	-	300,000
Gratuity to contractual employees	372,735	2,183,631
Employer Contributions Compulsory national social security schemes	101,520	195,480
NHIF contribution	38650	139,200
Total	2,018,509	8,320,206

5. Committee Expenses

	<i>2022-2023 FY</i>	<i>2021-2022 FY</i>
	Kshs	Kshs
Sitting allowance	2,282,460	1,817,540
Other committee expenses	1,131,600	1,538,443
Total	3,414,060	3,355,983

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

6. Use of Goods and services

	<i>2022-2023 FY</i>	<i>2021-2022 FY</i>
	Kshs	Kshs
Utilities-water	67,470	1,082,530
Communication, supplies and services	-	68,000
Domestic travel and subsistence	344,569	-
Printing, advertising and information supplies & services	352,500	212,500
Hire of transport	492,000	850,000
Courier/postal services	9,450	-
Computer/printers supplies	226,820	-
Training expenses	38,500	305,501
Hospitality supplies and services	-	288,799
Electricity	6,000	49,313
Specialised materials and services	14,500	53,000
Office and general supplies and services	870,450	631,650
Capacity building	779,171.52	-
Other operating expenses		424,600
Bank Charges	2,866.62	8,520
Advertising/awareness	100,000	-
Travel on training allowances	309,100	-
Routine maintenance- other assets	3,000	39,500
Sanitary cleaning materials	16,100	144,500
Total	3,632,497	4,158,413

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023 FY	2021-2022FY
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	5,850,000	61,820,000
Transfers To Secondary Schools (See Attached List)	3,500,000	32,050,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	9,350,000	93,870,000

8. Other Grants and Other transfers

	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Bursary – secondary schools (see attached list)	28,973,911	33,411,500
Bursary – tertiary institutions (see attached list)	3,539,611	15,717,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	200,000	34,000,000
Sports projects (see attached list)	3,039,204	5,484,355
Environment projects (see attached list)	3,039,204	2,741,778
Emergency projects (see attached list)	7,500,000	7,750,000
Roads projects (see attached list)	-	-
Total	46,291,929	99,104,633

Kitui East Constituency
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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

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

10. Oversight Committee Expenses

	2022-2023	2021-2022 FY
	Kshs	Kshs
COC-Accommodation expenses	-	-
COC-Domestic travel	-	-
COC-Hire of training facilities & Equipment	-	-
COC-Remuneration of instructors / services	-	-
COC-Allowances	-	-
	-	-
TOTAL	-	-

11. Other Payments

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

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank-Kitui Branch Account No. 0720261343213</i>	29,819,881	6,154,142
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	29,819,881	6,154,142
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13. Outstanding Imprests

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

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

14 B. Gratuity	2022-2023 FY	2021-2022 FY
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	372,735	2,183,631
Gratuity paid during the Year (C)	-	2,183,631
Closing Gratuity as at 30 th June D= A+B-C	372,735	0

15. Fund Balance B/F

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	6,154,142	25,285,616
Cash in hand	-	-
Imprest	-	-
Total	6,154,142	25,285,616
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	6,154,142	25,285,616

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16. Prior Year Adjustments

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

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	4,136,441	1,550,630
Committee expense	933,200	-
Use of goods and services	1,582,227	489,888
Amounts due to other Government entities (see attached list)	30,700,000	3,650,000
Amounts due to other grants and other transfers (see attached list)	35,188,849	216,622
Acquisition of assets	8,000,000	-
Oversight Committee Expenses	1,519,602	-
Other Payments (Strategic Plan AIA)	3,747,000	247,000
Funds pending approval	13,600,000	6,000,000
Total	99,407,320	12,154,140

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18.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	206,932	529,799.05
Total	206,932	529,799.05

XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1. MULI MBUNGULA	SECURITY GUARD	1.7.2022	26,601	
2. KIVUSYU MUNG'OO	SECURITY GUARD	1.7.2022	26,601	
3. CYRUS SILA KAMUTI	RECORDS MANAGEMENT OFFICER	1.7.2022	74,515	
4. MUTHUI KISOVI	ICT ASSISTANT	1.7.2022	18,743	
5. KIEMA MATWEE	OFFICE ASSISTANT	2.1.2023	26,839	
6. KIEMA MWENZWA	PROCUREMENT ASSISTANT	2.1.2023	64,050	
7. JOSEPH KILUMA	CLERK OF WORKS	3.4.2022	37,430	
8. SEIF KULA	OFFICE MESSENGER	3.4.2022	18,162	
9. CORNELIUS KAKUNDI	ACCOUNTS CLERK	3.4.2022	20,293	
10. NELSON PAUL	ICT OFFICER	3.4.2022	20,293	
11. ERASTUS KITHII	SECURITY GUARD II	3.4.2022	10,113	
12. KIOKO KIVOTO	OFFICE CLEANER	3.4.2022	10,876	
13. BENSON KAJANA	SATELLITE OFFICE CORDINATOR	1.6.2023	4,938	

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Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2023	Comments
14. EUNICE MUTUA	CLERICAL OFFICER	1.6.2023	4,427	
15. MARGRET APHIA	RECEPTIONIST	1.6.2023	4,427	
16. MERCY NGOLIA	OFFICE ASSISTANT	1.6.2023	4,427	
Sub-Total			372,735	
Grand Total			372,735	

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Annex 3 – Unutilized Fund*

Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Compensation of employees	Payment of salaries	4,136,441	1,550,630	
Use of goods & services	Payment of office expenditure	2,515,427	489,888	
Amounts due to other Government entities		30,700,000	3,650,000	
MUTULUNI PRIMARY SCHOOL	Construction of one classroom	1,200,000		
KATUNDU PRIMARY SCHOOL	Fencing of the school	1,000,000		
KATOLONGWE PRIMARY SCHOOL	Construction of one classroom	1,200,000		
NZOOKONI PRIMARY SCHOOL	Construction of one classroom	1,200,000		
KATIKONI PRIMARY SCHOOL	Construction of one classroom	1,200,000		
KONGOWEA PRIMARY SCHOOL	Construction of one classroom	1,200,000		
MALEMBWA PRIMARY SCHOOL	Construction of one classroom	1,200,000		
YAWII PRIMARY SCHOOL	Construction of one classroom	1,000,000		
KISIUNI PRIMARY SCHOOL	Construction of one classroom	1,200,000		
MAVULYA PRIMARY SCHOOL	Construction of one classroom	1,200,000		
KASUNGUNI PRIMARY SCHOOL	Renovation of one classroom	500,000		
NGUUNI PRIMARY SCHOOL	Construction of one classroom	1,200,000		
KAWALA PRIMARY SCHOOL	Renovation of six classrooms	3,000,000		

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
KATOONI PRIMARY SCHOOL	Renovation of one classroom	600,000		
INYOOKONI PRIMARY SCHOOL	Renovation of one classroom	600,000		
MUSIVA PRIMARY SCHOOL	Construction of one classroom	1,200,000		
KATHAMBA PRIMARY SCHOOL	Construction of one classroom	1,200,000		
KIINI PRIMARY SCHOOL	Renovation of one classroom	600,000		
NGELANI PRIMARY SCHOOL	Extension of water pipeline	2,000,000		
NGAMU PRIMARY SCHOOL	Construction of one classroom	1,200,000		
MUSIVA PRIMARY SCHOOL	Purchase of land	300,000		
THUA SECONDARY SCHOOL	Fencing of school compound	500,000		
KALIKU BOYS SECONDARY SCHOOL	Completion of dormitory	2,000,000		
YIUKU SECONDARY SCHOOL	Construction of one classroom	1,200,000		
KAUMU SECONDARY SCHOOL	Construction of one classroom	1,200,000		
MWITIKA BOYS SECONDARY SCHOOL	Fencing of school compound	500,000		
MWITIKA BOYS SECONDARY SCHOOL	Purchase of land	1,000,000		
MWITIKA BOYS SECONDARY SCHOOL	Completion of Fencing	300,000		
YAWII PRIMARY SCHOOL	Fencing of school compound		500,000.00	
MASIKALINI PRIMARY SCHOOL	Purchase of desks		150,000.00	

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
KAAYO PRIMARY SCHOOL	Purchase of desks		150,000.00	
MATUNDU PRIMARY SCHOOL	Purchase of desks		150,000.00	
MATUNDU PRIMARY SCHOOL	Purchase of land		500,000.00	
MANYOENI PRIMARY SCHOOL	Purchase of land		500,000.00	
MUSIVA PRIMARY SCHOOL	Purchase of land		300,000.00	
MWITIKA BOYS SECONDARY SCHOOL	Purchase of land		300,000.00	
MWITIKA BOYS SECONDARY SCHOOL	Purchase of land		500,000.00	
MWITIKA BOYS SECONDARY SCHOOL	Purchase of land		500,000.00	
KAMWIU SECONDARY SCHOOL	Purchase of land		100,000.00	
Sub-Total		37,351,868	4,295,518	
Amounts due to other grants and other transfers		35,208,850	216,622	
Sub-Total		35,208,850	216,622	
Acquisition of assets		8,000,000	-	
Oversight Committee Expenses (itemize)		1,519,602	-	
Others (<i>Strategic Plan and ALA</i>)		3,747,000	247,000	

**Kitui East Constituency
National Government Constituencies Development Fund (NGCDF)
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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Sub-Total		13,266,602	247,000	
Funds pending approval		13,600,000	6,000,000	
Grand Total		99,427,319	12,154,140	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	4,000,000	19,000,000	-	23,000,000
Transport equipment				
Office equipment, furniture and fittings	1,581,241	-	-	1,581,241
ICT Equipment, Software and Other ICT Assets	481,000	-	-	481,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	6,062,241	19,000,000	-	25,062,241

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

PMC	Bank	Account number	Bank Balance Current 2022-2023	Bank Balance Previous 2021-2022
Kaliku Boys Secondary School	Equity Bank	720279820536	11,155	157,935
Kithanake Primary School	Equity Bank	720265955294	2,075	1,075
Matia Secondary School	Equity Bank	720280672289	1,310	1,310
Ngaaka Yakwa Mixed Secondary School	Equity Bank	720277751369	3,090	2,090
Matia Police Post	Equity Bank	720280249834	260	260
Kitanga Primary School	Equity Bank	720278453214	157	57
Syombuku Primary School	Equity Bank	720266691160	1,500	1,220
Yatavu Primary School	Equity Bank	720284029648	120	0
Makutano Primary School	Equity Bank	720265267511	104,000	4,000
Kalalani Primary School	Equity Bank	720280868687	1,000	0
Katikoni Sand Dam	Equity Bank	720277469054	535	0
Kwa Samburu / Ngelani Sand Dam	Equity Bank	720284144926	0	0
Kwa Kitheka-Matia Sand Dam	Equity Bank	720284146475	3,067	0.00
Kitui East Sports	Equity Bank	720273325790	3,874	5,150
Imuumba Police Post	Equity Bank	720277796605	590	1,590
Mwitika Boys Secondary School	Equity Bank	720281289795	470	470
Kinanie Secondary School	Equity Bank	720278565752	160	38,500
Kyanzai Secondary School	Equity Bank	720278653609	1,567	1,567

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PMC	Bank	Account number	Bank Balance Current 2022-2023	Bank Balance Previous 2021-2022
Masikalini Primary School	Equity Bank	720276786036	15,900	15,780
Matundu Primary School	Equity Bank	720264527323	230	3,230
Manyoeni Primary School	Equity Bank	720282941874	900	0
Yawii Primary School	Equity Bank	720282002582	0	0
Kilonzo Primary School	Equity Bank	720282664748	900	900
Koi Primary School	Equity Bank	720282632243	1,000	1,000
Itikie Primary School	Equity Bank	720282085046	51,760	219,760
Kaayo Primary School	Equity Bank	720277076711	570	70
Kamwii Secondary School	Equity Bank	720278649415	740	740
Total			206,931	456,706

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)
Report as at 30 th June 2023	<p>Failure to Maintain an Imprest Register</p> <p>Review of the monthly expenditure returns, payment vouchers and imprest warrants revealed that imprest of Kshs.5,218,000 was issued in the year under review to facilitate monitoring and evaluation. However, there was no evidence of maintenance of an imprest register. This is contrary to Regulation 93(4) of the Public Finance Management (National Government) Regulations, 2015 which states that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount</p>	This has been rectified in the financial statement	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>applied for;</p> <p>In the circumstances, the effectiveness of internal controls on recording and maintenance of imprest register could not be confirmed.</p>			
Report as at 30 th June 2023	<p>Irregular Staff Recruitment</p> <p>Review of personnel records revealed that the accounts assistant II, information and communications technology officer, procurement assistance and security personnel positions were filled during the year under review. However, there was no evidence of competitive recruitment process since requisition from the user department, advertisement for the positions, application letters, shortlisting, register interviewees, score sheets and the minutes for the interviewers were not provided for audit. In addition, there was no organizational structure and</p>	This has been rectified in the financial statement	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>approved staff establishment to guide on filling these positions.</p> <p>In the circumstances, the effectiveness of internal controls on staff recruitment could not be confirmed.</p>			
Report as at 30 th June 2023	<p>Lack of a Disaster Recovery Plan</p> <p>During the year under review Management had not established a disaster recovery plan/business continuity plan. This implies that there are no measures in place to identify, prevent and mitigate disasters to ensure that operations are not interrupted. In the circumstances, the effectiveness of risk management and business continuity could not be confirmed.</p> <p>The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330 The standards require that I plan and perform the audit to obtain assurance about whether effective</p>	This was provided in the auditors	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>processes and systems of internal control, 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.</p>			

D. Anthony
MP

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Name
Fund Account Manager.

