

REPUBLIC OF KENYA



Enhancing Accountability

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

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ON

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

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



MALAVA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Collins Obuya
2.	Sub-County Accountant	Juliet Lubanga
3.	Chairman NGCDFC	Everline Wawire
4.	Member NGCDFC	Patrick Kharinda

(c) Fiduciary Oversight Arrangements

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

P.O. Box 281-50103

NGCDF House

Off Kakamega-Webuye Road next to Malava Shopping Centre

Malava, KENYA

(e) Malava Constituency NGCDF Contacts

Telephone: (254) 721901620

E-mail: cdfmalava@ngcdf.go.ke

Website: www.ngcdf.go.ke

(f) Malava Constituency NGCDF Bankers

The Co-operative Bank of Kenya Ltd
Kakamega Branch
A/C No: 01141165163100

(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 Chairperson's Report



Everline Wawire
Chairperson Malava NGCDF

The constituency currently has 155 Primary and 58 Secondary schools in the public sector. It is one of the third highly populated constituencies and above all, a purely rural constituency. Owing to this, there is heavy pressure on the available funds in terms of infrastructure development as well as education bursary needs. It is in fact the largest constituency in Kakamega County.

Financial report

The constituency received Ksh.88,000,000 meant for Financial year 2022/2023. There was a balance brought forward of Ksh.2,154,031 giving us a total of Ksh.90,154,031 as available funds. The total payments for the financial year amounted to Ksh.77,448,167

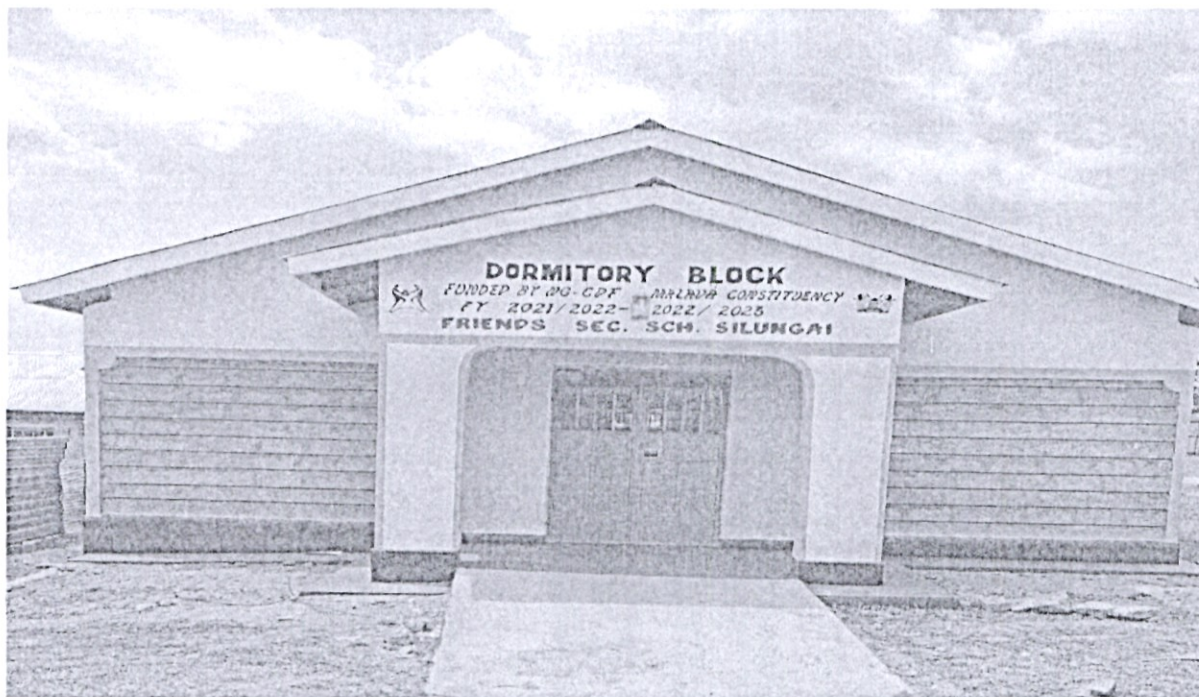
To ensure reduced risks of funds misappropriation by the project implementers, we have strictly adhered to the use of the Inspection and Acceptance certificate which is duly signed by the institution's management and NG-CDF representative/ clerk of works. The cheques are only cleared after presentation of the bank payment schedule duly signed by the Fund Account Manager. Owing to some cases of non-adherence by PMCs to the set down guidelines, the NGCDF Committee approved the Fund Account Manager to be a mandatory Signatory on all PMC accounts which has greatly borne positive results.

The committee was able to train the PMCs and contractors once more so as to ensure proper project implementation and accountability. All projects were implemented under full contract by use of already prequalified contractors by the Malava NG-CDFC or the National Government Sub County Procurement Units.

Best projects for the Financial Year 2022/2023



Tombo Secondary School construction of Administration Block funded by Malava NGCDF Financial Year 2022/2023



Silungai Girls Secondary School construction of Administration Block funded by Malava NGCDF Financial Year 2021/2022 & 2022/2023



Manguliro Secondary School construction of Administration Block funded by Malava NGCDF
Financial Year 2021/2022 - 2022/2023

Emerging Issues

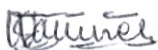
1. Heavy rainfall in the constituency throughout the year making classroom roofs to be blown off by strong winds and pit latrines sinking.
2. Difficulty in accessing the projects due to poor roads as a result of the heavy rainfall and the wide area coverage
3. Very high population hence increased need for infrastructural developments in both the education and security sectors

Implementation challenges

1. Shortage of Public Works Officers in the County
2. Lack of sufficient financial and technical knowledge among the PMCs
3. Hostility of the locals demanding for jobs at the sites

Remedies to the challenges

1. Proper planning by the project implementers to ensure we share the scarce Technical personnel
2. Use of our Clerk of Works who has the relevant expertise to guide the PMCs
3. Conducting capacity building to the PMCs



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Everline Wawire
CHAIRPERSON 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 *Malava Constituency 2022-2027* plan are to:

(Enumerate all the objectives of the constituency as per the Strategic Plan)

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 infrastructure in learning institutions and increase enrolment in schools	Increased number of classrooms in schools. Increased number of students joining Primary, secondary Schools and colleges	<ul style="list-style-type: none"> - Number of usable physical infrastructure built in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels 	In FY 2022/2023 -we constructed 28 classrooms in Primary schools and 12 classrooms in Secondary schools, 4 Dormitories, 4 Administration Blocks and 1 Laboratory -Bursary beneficiaries at all levels were as per the Annual Expenditure Returns
Security	To enable constituents access administration and security services	Reduced crime rate in the constituency and increased access to Administration services	<ul style="list-style-type: none"> - Number of police post and Chiefs/Administration offices 	In FY 2022/2023 We constructed one chiefs office

Constituency Program	Objective	Outcome	Indicator	Performance
Environment	To improve sanitation in schools and reduce environmental degradation	Improved sanitation in learning institutions	- Number of modern toilets constructed in schools	In FY 2022/2023 We constructed 5 modern toilets in schools
Sports	To enable youth in the constituency to be self-reliant	Increased sporting activities	- Sponsor an annual constituency sports tournament	In FY 2022/2023 We sponsored the best secondary schools soccer team in the County

V. Statement of Governance

According to NG-CDF Act 2016 Sec.43 (1, 2 & 3), There is established a National Government Constituency Development Fund Committee for every constituency. This is done publicly by doing an advertisement so that interested constituents can apply in written to the Fund Account Manager. The requirements are clearly stipulated in the advertisement. Membership is as follows:

- a) the national government official responsible for co-ordination of national government functions;
- b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- c) two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
- d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- g) one member co-opted by the Board in accordance with Regulations made by the Board.

The Fund Account Manager communicates to the Constituency Manager to nominate two members (male & female). He also writes to the DCC requesting for one of the ACCs to chair the selection panel.

The Fund Account Manager also writes to the organization for People Living with Disability to nominate a representative (which should be in minuted resolution plus cover letter).

The selection panel then goes through the applications for suitable candidates.

Based on regional balance, geographical distribution and gender balance, suitable candidates are selected through set criteria. The details are then forwarded to the NG-CDF Board for gazettelement.

NG-CDF Act Sec.43 (13) clearly stipulates under which circumstances a member may be removed as follows:

- (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

The roles of NG-CDF Committee are:

- a) Collect public views on what projects to be funded before budgeting through Public Participation
- b) Do budget proposals to the Board based on the official allocations and submit to the Board on timely basis
- c) Manage the fund at the constituency level on behalf of the Board
- d) Co-ordinate the implementation of projects by Project Management Committees
- e) ensure the Project Management Committees are empowered through training to carry out their mandate.
- f) Ensure accountability in projects is maintained at all times at the Project Management Committees level.

Every financial year, the NG-CDF Committee, staff and Project Management Committees are trained to ensure they understand their roles before funds are released to their respective accounts. In the financial year under review, we have held at least twelve meetings.

As a committee, we have made it clear to all members that anyone who has interest in any activity e.g. works, supplies must declare in our meetings as a way of avoiding conflict of interest.

Apparently, we have never experienced such a case.

Malava NGCDFC remunerates its members Ksh.5, 000 whereas the chairperson gets Ksh.7, 000 per sitting as per the NG-CDF Act 2015 and its regulations.

Through our trainings, members and staff as well as Project Management Committees are advised to always ensure that they don't engage in unethical practices as the public is watching on what they do on daily basis. This shall help avoid complaints and conflicts.

In fact, at the time of recruitment of members, one must avail clearance certificates from Kenya Revenue Authority, Ethics & Anti-Corruption Commission plus Certificate of Good Conduct just to show that one does not have integrity issues as envisaged in Chapter Six of the Constitution of Kenya before they become NG-CDF Committee member.

The NGCDFC has been adequately sensitized on the policies governing operation of the Fund to avoid conflict of interest that may arise among its members.

The NG-CDF Committee has ensured that risk management is put into consideration e.g. our premises are guarded day and night; our very sensitive offices have doors fitted with steel doors and window grills i.e. for Fund Account Manager & Office Secretary; we also have backup of our official data through flash disks and even saving on the internet for safety. Project Management Committees are also advised to ensure that their public facilities are safe (schools and offices).

It is also clear to the members that their term is of two years after which one may be renewed or replaced based on performance.

VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Malava 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

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

3. Employee welfare

We invest in providing the best working environment for our employees. Malava 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. Malava 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-

Malava 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

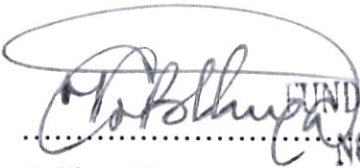
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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


.....
FUND ACCOUNT MANAGER
NG-CDF, MALAVA

Collins Obuya

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-Malava 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-Malava Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Malava 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 Malava Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further

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

Approval of the financial statements

The NGCDF- Malava Constituency financial statements were approved and signed by the Accounting Officer on 30.09. 2023.


.....
Everline Wawire
Chairperson – NGCDF Committee


.....
Collins Obuya
Fund Account Manager

**FUND ACCOUNT MANAGER
NG-CDF, MALAVA**

REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Malava Constituency set out on pages 1 to 45, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the

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

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 National Government Constituencies Development Fund – Malava 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, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unreconciled Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.12,705,865 as disclosed in Note 8 to the financial statements. However, review of bank reconciliation statement for the month of June, 2023 revealed stale cheques totalling Kshs.210,960 and payments in bank not recorded in cash book of Kshs.15,000. No explanation was provided on the failure to reverse the stale cheques in the cash book and the failure to update the cash book with the payments totalling Kshs.15,000.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.12,705,865 could not be confirmed.

2. Incorrect Comparative Balances

The financial statements reflects comparative balances for ten (10) components which are at variance with the corresponding balances reflected in the audited financial statements for the year ended 30 June, 2022 as shown in the table below;

Component	Comparative Balances in the Financial Statements for 2022/2023 (Kshs.)	Balances in the Audited Financial Statements for 2021/2022 (Kshs.)	Variance (Kshs.)
Use of Goods and Services	6,157,485	9,047,023	2,889,538
Committee Expenses	2,158,860	0	2,158,860
Net Cash flow from operating Activities	(10,458,137)	(11,188,815)	730,678
Acquisition of Assets - Statement of Cash flows	(730,678)	0	730,678

Component	Comparative Balances in the Financial Statements for 2022/2023 (Kshs.)	Balances in the Audited Financial Statements for 2021/2022 (Kshs.)	Variance (Kshs.)
Office and General Supplies & Services – Use of Goods	1,263,130	1,993,808	730,678
Other operating expenses - Use of Goods	287,405	319,975	32,570
Bank Charges - Use of Goods	32,570	0	32,570
Bursary – Secondary Schools (Other Grants and Other Transfers)	24,045,000	23,045,000	1,000,000
Emergency Projects – Secondary Schools (Other Grants and Other Transfers)	10,131,387	11,131,387	1,000,000
Unutilized Funds – Use of Goods & Services	47,455	27,344	20,111

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

3. Unsupported Project Management Committee Account Balances

Note 13 to the financial statements reflects Project Management Committee (PMC) account balances totalling Kshs.2,176,932 as at 30 June, 2023, as detailed in Annex 4. However, bank reconciliation statements and cash books were not provided to support the balances.

In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.2,176,932 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects receipts budget and actual on comparable basis of Kshs.173,075,655 and Kshs.90,154,031 respectively, resulting to under-funding of Kshs.82,921,624 or 48 % of the budget. Similarly, the Fund spent Kshs.77,448,167 against actual receipts of Kshs.90,154,031 resulting to an under-utilization of Kshs.12,705,864 or 14% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year 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. However, the Management has not resolved the issues or provided explanation for failure to resolve the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delay in Implementation of Projects

During the year under review, the Fund had planned to implement forty-four (44) projects with a budget of Kshs.93,097,500. However, eight (8) or 18% of the projects totalling Kshs.36,700,000 were on-going while one (1) or 2% of the projects amounting to Kshs.7,500,000 had not started.

In the circumstances, value for money was not obtained from the eight (8) incomplete projects and one (1) project that had not started.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2024

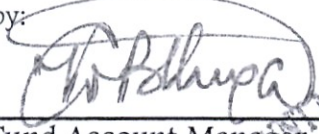
*Malava Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

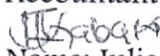
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023


	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	88,000,000	170,088,879
Total Receipts		88,000,000	170,088,879
Payments			
Compensation Of Employees	2	3,445,960	3,843,110
Committee expenses	3	1,507,295	2,158,860
Use Of Goods and Services	4	6,670,125	6,157,485
Transfers To Other Government Units	5	26,800,797	114,456,496
Other Grants and Transfers	6	39,023,990	53,931,065
Acquisition Of Assets	7	-	730,678
Total Payments		77,448,167	181,277,694
Surplus/ (Deficit)		10,551,833	(11,188,815)

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 30.09 2023 and signed by:


Fund Account Manager
Name: Collins Obuya

National Sub-County
Accountant

Name: Juliet Lubanga
ICPAK M/No: 20580


Chairman NG-CDF
Committee
Name: Everline Wawire

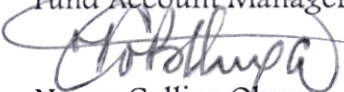
Malava Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

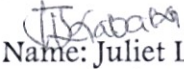
X. Statement of Assets and Liabilities As At 30th June, 2023

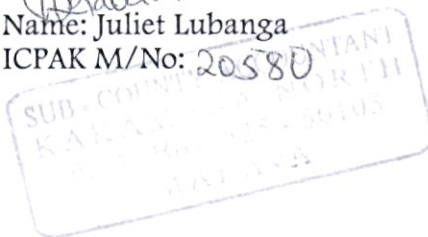
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	8	12,705,865	2,154,031
Total Cash and Cash Equivalents		12,705,865	2,154,031
Total Financial Assets		12,705,865	2,154,031
Financial Liabilities			
Accounts Payable (Deposits)			
Gratuity	9	502,200	-
Total Financial Liabilities		-	-
Net Financial Assets		12,705,865	2,154,031
Represented By			
Fund Balance B/Fwd	10	2,154,031	13,342,846
Surplus/Deficit for The Year		10,551,833	(11,188,815)
Net Financial Position		12,705,865	2,154,031

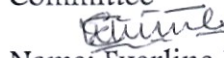
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 30.09.2023 and signed by:

Fund Account Manager

 Name: Collins Obuya
FUND ACCOUNT MANAGER
NG - CDF, MALAVA

National Sub-County
 Accountant

 Name: Juliet Lubanga
 ICPAK M/No: 20580



Chairman NG-CDF
 Committee

 Name: Everline Wawire

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	88,000,000	170,088,879
Total Receipts		88,000,000	170,088,879
Payments			
Compensation Of Employees	2	3,445,960	3,843,110
Committee Expenses	3	1,507,295	2,158,860
Use Of Goods and Services	4	6,670,125	6,157,485
Transfers To Other Government Units	5	26,800,797	114,456,496
Other Grants and Transfers	6	39,023,990	53,931,065
Total Payments		77,448,167	180,547,016
Total Receipts Less Total Payments		10,551,833	(10,458,137)
Net Cash Flow from Operating Activities		10,551,833	(10,458,137)
Cashflow From Investing Activities			
Acquisition Of Assets	7	-	(730,678)
Net Cash Flows from Investing Activities		-	(730,678)
Net Increase In Cash And Cash Equivalent		10,551,833	(11,188,815)
Cash & Cash Equivalent At Start Of The Year	10	2,154,031	13,342,846
Cash & Cash Equivalent At End Of The Year	8	12,705,864	2,154,031


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

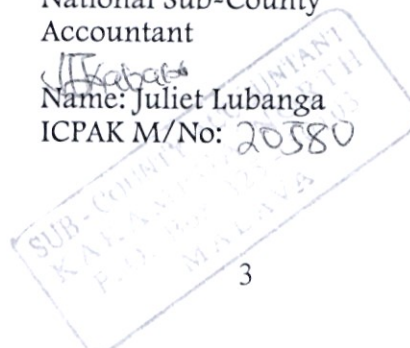
The Constituency financial statements were approved by NG CDFC on 20-09, 2023 and signed by:

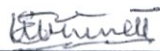

Fund Account Manager
NG-CDF, MALAVA

Name: Collins Obuya

National Sub-County
Accountant


Name: Juliet Lubanga
ICPAK M/No: 20580




Chairman NG-CDF
Committee

Name: Everline Wawire

*Malava Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	158,832,745	2,154,031	12,088,879	173,075,655	90,154,031	82,921,624	
Proceeds From Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	#DIV/0!
Totals	158,832,745	2,154,031	12,088,879	173,075,655	90,154,031	82,921,624	52.1%
Payments							
Compensation Of Employees	4,343,540	790,724	0	5,134,264	3,445,960	1,688,304	67.1%
Committee Expenses	2,123,982	0	0	2,123,982	1,083,295	1,040,688	51.0%
Use Of Goods and Services	7,827,425	47,455	0	7,874,880	6,670,125	1,204,755	84.7%
Transfers To Other Government Units	87,800,000	0	12,088,879	99,888,879	26,800,797	73,088,082	26.8%
Other Grants and Transfers	51,649,471	1,315,852	0	52,965,323	39,023,990	13,941,333	73.7%
Acquisition of Assets	0	0	0	-	-	-	0.0%
Oversight Committee Expenses	1,588,327	0	0	1,588,327	424,000	1,164,327	26.7%
Other Payments	3,500,000	0	0	3,500,000	-	3,500,000	0.0%
Funds Pending Approval**							
Totals	158,832,745	2,154,031	12,088,879	173,075,655	77,448,167	95,627,488	44.7%

***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.*

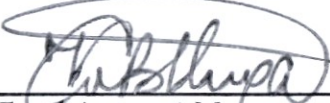
*Malava Constituency
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Explanatory Notes.

- *The underabsorption of 32.9% on Compensation of employees figure is as a result of the Staff Gratuity which will be paid on expiry of the contract.*
- *The underabsorption of 49% on Committee expenses is because the NGCDFC was gazetted in December 2022*
- *The underabsorption of 15.4% on Use of Goods and services is due to delay in funding*
- *The underabsorption of 73.2% on Transfers to other government units is due to delay in funding*
- *The underabsorption of 26.3% on Other grants and Transfers is due to delay in funding*
- *The underabsorption of 73.3% on Oversight Committee Expenses is due to delay in funding*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	95,627,488
Less undisbursed funds receivable from the Board as at 30 th June 2023	(82,921,624)
	12,705,864
Increase/ (decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	12,705,864


The Constituency financial statements were approved by NG CDFC on 30-09 2023 and signed by:

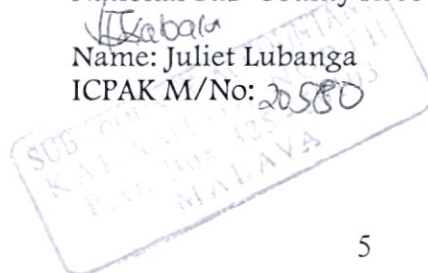

Fund Account Manager

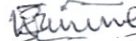
Name: Collins Obuya

FUND ACCOUNT MANAGER
NG-CDF, MALAYA

National Sub-County Accountant


Name: Juliet Lubanga
ICPAK M/No: 20580





Chairman NG-CDF Committee

Name: Everline Wawire

*Malava Constituency
National Government Constituencies Development Fund (NGCDF)
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XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,343,540	790,724	0	5,134,264	3,445,960	1,688,304
1.2 Committee allowances	1,128,000	0	0	1,128,000	687,313	440,687
1.3 Use of goods and services	4,878,425	47,455	0	4,925,880	4,412,625	513,255
Total	10,349,965	838,179	-	11,188,144	8,545,898	2,642,246
2.0 Monitoring and evaluation						-
2.1 Capacity building	500,000			500,000	450,000	50,000
2.2 Committee allowances	995,982			995,982	395,982	600,000
2.3 Use of goods and services	2,449,000			2,449,000	1,807,500	641,500
Total	3,944,982		-	3,944,982	2,653,482	1,291,500
3.0 Emergency						
3.1 Primary Schools	7,636,190	1,060,820		8,697,010	797,500	7,899,510
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects			-	-		-
3.5 Unutilised				-		-
Total	7,636,190	1,060,820		8,697,010	797,500	7,899,510
4.0 Bursary and Social Security				-		

*Malava Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Secondary Schools	25,000,000	813,673		25,813,673	29,032,000	(3,218,327)
4.2 Tertiary Institutions	14,000,000	(1,021,200)		12,978,800	8,955,000	4,023,800
4.3 Social Security				-		-
4.4 Special Needs	1,263,281	462,559		1,725,840	-	1,725,840
Total	40,263,281	255,032	-	40,518,313	37,987,000	2,531,313
5.0 Sports				-		-
5.1	500,000			500,000		500,000
Total	500,000			500,000		500,000
6.0 Environment						
Lunyelelia Primary School	250,000			250,000	239,490	10,510
Total	250,000	-	-	250,000	239,490	10,510
7.0 Primary Schools Projects						
Burundu Primary School	1,000,000		1,000,000	2,000,000	2,000,000	-
Bwanga Primary School			251,059	251,059	251,059	-
Chiveli Primary School	1,000,000			1,000,000		1,000,000
Chombeli Primary School	450,000			450,000	450,000	-
Fuvale Primary School	200,000		45,005	245,005	200,000	45,005
Indulusia Primary School	1,000,000			1,000,000	1,000,000	-
Kalenda Primary School	1,000,000		1,000,000	2,000,000	1,000,000	1,000,000
Lugusi Primary School	11,200,000			11,200,000	6,300,000	4,900,000
Luhokho Primary School	1,000,000		1,000,000	2,000,000	1,713,580	286,420

*Malava Constituency
National Government Constituencies Development Fund (NGCCDF)
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			
Lukhokho Primary School	1,400,000			1,400,000	1,400,000	-
Lunyelelia Primary School	1,000,000		350,000	1,350,000	1,350,000	-
Lusumu Primary School			900,000	900,000		900,000
Makuche Primary School			900,000	900,000		900,000
Malichi Primary School			900,000	900,000		900,000
Misimo Primary School	2,400,000			2,400,000		2,400,000
Mukoko Primary School			900,000	900,000		900,000
Musungu Primary School			300,000	300,000		300,000
Mutingongo Primary School			900,000	900,000		900,000
Namanja Primary School			900,000	900,000		900,000
Sawawa Primary School			900,000	900,000		900,000
Sharambatsa Primary School	1,000,000			1,000,000		1,000,000
Sheywe Primary School	200,000			200,000	200,000	-
Shirulo Primary School	200,000			200,000	200,000	-
Shivanga Primary School	400,000			400,000	400,000	-
Tande Primary School	1,000,000			1,000,000		1,000,000
Teresia Primary School	3,000,000			3,000,000		3,000,000
Tombo Primary School	3,000,000			3,000,000		3,000,000
Vashele Primary School			900,000	900,000		900,000
Total	30,450,000	-	11,146,064	41,596,064	15,664,639	25,131,425
8.0 Secondary Schools Projects						-

*Malava 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			
Chevoso Secondary School	1,000,000		232,126	1,232,126	1,232,126	-
Kakunga Girls Secondary School	2,000,000			2,000,000	2,000,000	-
Kalenda Girls Secondary School	1,000,000			1,000,000	1,000,000	-
Kimangeti Boys Secondary School	1,000,000			1,000,000		1,000,000
Kimangeti Girls Secondary School	8,000,000			8,000,000		8,000,000
Lugusi Boys Secondary School	8,500,000			8,500,000		8,500,000
Lunyinya Mixed Secondary School	1,000,000			1,000,000		1,000,000
Mache Secondary School	2,200,000			2,200,000		2,200,000
Mache Secondary School	1,000,000		25,888	1,025,888	999,110	26,778
Manguliro Secondary School	4,300,000			4,300,000		4,300,000
Manyonje Secondary School	1,000,000		223,420	1,223,420	1,223,420	-
Mavusi Secondary School	3,500,000			3,500,000		3,500,000
Namagara Secondary School	6,000,000			6,000,000		6,000,000
Namanja Secondary School	1,500,000			1,500,000	1,081,502	418,498
Samitsi Girls Secondary School	1,000,000			1,000,000		1,000,000
Shamberere Boys Secondary School	1,550,000			1,550,000		1,550,000
Silungai Girls Secondary School	1,550,000			1,550,000	1,550,000	-
Tombo Secondary School	2,050,000			2,050,000	2,050,000	-
Total	48,150,000	-	481,434	48,631,434	11,136,158	37,495,276
9.0 Tertiary institutions Projects				-		-
KMTC Malava	1,700,000		461,381	2,161,381		2,161,381

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
KMTC Malava	7,500,000			7,500,000		7,500,000
Total	9,200,000		461,381	7,500,000	-	9,661,381
10.0 Security Projects				-		-
Imbiakalo Police Station	3,000,000.00			3,000,000		3,000,000
Total	3,000,000	-	-	3,000,000	-	3,000,000
11.0 Acquisition of assets				-		-
	-	-	-	-	-	-
Total	-	-	-	-		-
12.0 Oversight Committee Expenses (itemize)				-		-
COC Members Allowance	1,020,000			1,020,000	400,000	620,000
Other COC Expenses	568,327		-	568,327	24,000	544,327
Total	1,588,327		-	1,588,327	424,000	1,164,327
13.0 Other payments				-		-
Strategic Plan	3,500,000			3,500,000		3,500,000
Total	3,500,000	-	-	3,500,000	-	3,500,000
14.0 unallocated fund						
Unapproved projects						-
AIA						-
PMC savings						
Total			-	-	-	-
	158,832,745	2,154,031	12,088,879	170,914,274	77,448,167	94,827,488

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(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-Malava 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 30 June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B 140993		33,000,000
AIE NO. B 105660		44,000,000
AIE NO. B 105855		22,000,000
AIE NO. B 128605		5,000,000
AIE NO. B 128917		12,000,000
AIE NO. B 154114		12,000,000
AIE NO. B 164448		18,000,000
AIE NO. B 155879		24,088,879
AIE NO. B 185156	7,000,000	
AIE NO. B 185448	6,000,000	
AIE NO. B 185700	15,000,000	
AIE NO. B 206014	5,000,000	
AIE NO. B 206461	12,000,000	
AIE NO. B 205806	12,000,000	
AIE NO. B 207568	16,000,000	
AIE NO. B 207735	15,000,000	
TOTAL	88,000,000	170,088,879

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2. Compensation of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,265,600	2,431,560
Personal allowances paid as part of salary		
Leave allowance	-	35,000
Gratuity to contractual employees	-	1,040,670
Employer Contributions Compulsory national social security schemes	180,360	335,880
Total	3,445,960	3,843,110

3. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	1,188,000	1,828,000
Other committee expenses	319,295	330,860
Total	1,507,295	2,158,860

4. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	-	308,420
Communication, supplies and services	188,890	363,378
Domestic travel and subsistence	3,430,800	1,573,000
Training expenses	450,000	-
Hospitality supplies and services	390,200	517,980
Insurance costs	45,000	45,243
Specialised materials and services	70,000	-
Office and general supplies and services	915,500	1,263,130
Fuel , oil & lubricants	1,000,000	1,000,000
Other operating expenses	-	287,405
Bank Charges	74,231	32,570
Routine maintenance - vehicles and other transport equipment	105,504	413,264
Routine maintenance- other assets	-	353,095
Total	6,670,125	6,157,485

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Notes to The Financial Statements (Continued)

5. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools	15,664,639	56,753,936
Transfers To Secondary Schools	11,136,158	55,912,431
Transfers To Tertiary Institutions	-	1,790,129
Total	26,800,797	114,456,496

6. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools	29,032,000	24,045,000
Bursary – tertiary institutions	8,955,000	13,814,000
Bursary – special schools	-	4,633,870
Security projects	-	707,200
Sports projects	-	200,000
Environment projects	239,490	399,608
Emergency projects	797,500	10,131,387
Total	39,023,990	53,931,065

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Notes to the Financial Statements (Continued)

7. Acquisition of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of ICT Equipment, Software and Other ICT Assets	-	730,678
Total	-	730,678

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8. Cash Book Bank Balance

Name of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Cooperative Bank of Kenya, Kakamega Branch, KES</i>	12,705,865	2,154,031
Total	12,705,865	2,154,031

9. Retention and Gratuity

Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	393,390
Gratuity held during the year (B)	502,200	647,280
Gratuity paid during the Year (C)	-	1,040,670
Closing Gratuity as at 30 th June D= A+B-C	502,200	-

10. Fund Balance B/F

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	2,154,031	13,342,846
Total	2,154,031	13,342,846
Fund Balance Brought Forward	2,154,031	13,342,846

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11: Pending Staff Payables (See Annex 1)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NGCDFC Staff	502,200	-
Total	502,200	-

12: Unutilized Fund (See Annex 2)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	1,688,304	790,724
Committee expense	2,205,015	
Use of goods and services	1,204,755	47,455
Amounts due to other Government entities (see attached list)	73,088,082	12,088,879
Amounts due to other grants and other transfers (see attached list)	13,941,333	1,315,852
Other Payments (Strategic Plan)	3,500,000	-
Total	95,627,488	14,242,910

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13: PMC account balances (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances	2,176,932	1,244,584
Total	2,176,932	1,244,584

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XVI. Annexes

Annex 1 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
Bonface Wekesa	Accounts Assistant	01.01.2023	33,480	
Ian Lavusa Madaga	Clerk of Works	01.01.2023	33,480	
Justine Werenjekha Kakai	Secretary	01.01.2023	33,480	
David Jomo Lumbasi	Project Assistant	01.01.2023	33,480	
Thomas Masai Werashipala	Driver	01.01.2023	31,620	
Shadrack Lusala Mukwe	Receptionist	01.01.2023	31,620	
Isabella Ingatina Amisi	Office Assistant	01.01.2023	31,620	
Nathani Lumbasi Lumuli	Office Assistant	01.01.2023	31,620	
James Sioma Simon	Security Officer	01.01.2023	31,620	
Manase Burudi Shatuma	Security Officer	01.01.2023	31,620	
Martin Sirengo Wasike	Field Assistant	01.01.2023	29,760	
Evans Mugavana Nashali	Field Assistant	01.01.2023	29,760	
Johnstone Namunyu	Field Assistant	01.01.2023	29,760	
Leonard Ngala Mmasava	Field Assistant	01.01.2023	29,760	
Anzelimo Lukaviro Mbatu	Field Assistant	01.01.2023	29,760	
Miheso Robert okombo	Field Assistant	01.01.2023	29,760	
Sub-Total			502,200	
Grand Total			502,200	

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Annex 2 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		1,688,304	790,724	
Committee Expenses		2,204,975	-	
Use of goods & services		1,204,755	27,344	
Amounts due to other Government entities				
Makuche Primary School	Renovation of 2 classrooms	900,000		
Malichi Primary School	Renovation of 2 classrooms	900,000		
Lusumu Primary School	Renovation of 2 classrooms	900,000		
Musungu Primary School	Renovation of 2 classrooms	900,000		
Mutingongo Primary School	Renovation of 2 classrooms	900,000		
Namanja Primary School	Renovation of 2 classrooms	900,000		
Sawawa Primary School	Renovation of 2 classrooms	900,000		
Vashele Primary School	Renovation of 2 classrooms	900,000		
KMTC Malava	Completion of 2 classrooms	938,082		
Lugusi Primary School	Completion of 8 classroom storey building	7,200,000		
Misimo Primary School	Construction of 2 classrooms	2,200,000		
Tande Primary School	Construction of 1 classroom	1,000,000		
Teresia Primary School	Construction of Administration Block	3,000,000		

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Tombo Primary School	Construction of Administration Block	3,000,000		
Kimangeti Boys Secondary School	Construction of 1 classroom	1,000,000		
Mache Secondary School	Construction of 2 classrooms	2,200,000		
Manguliro Secondary School	Construction of Administration Block	4,300,000		
Mavusi Secondary School	Construction of Dormitory Block	3,500,000		
Namagara Secondary School	Construction of Multipurpose Hall	6,000,000		
Samitsi Girls Secondary School	Construction of 1 classroom	1,000,000		
Shamberere Boys Secondary School	Completion of Dormitory Block	1,550,000		
Kimangeti Girls Secondary School	Construction of storey Dormitory Block	8,500,000		
Lugusi Boys Secondary School	Construction of storey Block with Laboratory and 4 classrooms	8,000,000		
KMTC Malava	Construction of storey Administration Block	7,500,000		
Chiveli Primary School	Construction of 1 classroom	1,000,000		
Sharambatsa Primary School	Construction of			

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	1 classroom	1,000,000		
Kakunga Girls Secondary School	Completion of Administration Block	2,000,000		
Kalenda Primary School	Construction of 1 classroom	1,000,000		
Lugusi Primary School	Completion of 8 classroom storey building	7,200,000		
Sub-Total		73,088,082	12,088,879	
Amounts due to other grants and other transfers				
Emergency	To cater for unforeseen occurrences	6,830,000		
Bursary	Payment of bursary to needy students	3,611,333		
Security (Imbiakalo Police Station)	Construction of Administration Block	3,000,000		
Sports	Facilitation of sports activities	500,000		
Sub-Total		13,941,333	1,315,852	
Acquisition of assets		0	20,111	
Others (<i>Strategic Plan</i>)		3,500,000	-	
Sub-Total				
Grand Total		95,627,489	14,242,910	

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Annex 3 – 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 and Buildings				
Land	400,000	-	-	400,000
Buildings and structures	19,244,660	-	-	19,244,660
	19,644,660	-	-	19,644,660
Transport equipment				
Land Rover (Defender) - 110	4,468,950	-	-	4,468,950
Toyota Land Cruiser	6,158,753	-	-	6,158,753
	10,627,703	-	-	10,627,703
Office equipment, furniture and fittings				
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
Computer Table-CD 209	8,120	-	-	8,120
Computer Table-CD 209	8,120	-	-	8,120
Computer Table-CD 808	8,745	-	-	8,745
Conference Tables	12,000	-	-	12,000
Conference Tables	12,000	-	-	12,000
Executive Office Chairs With Arms	27,000	-	-	27,000
Executive Office Chairs With Arms	27,000	-	-	27,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Ordinary Office Desk -Double Drawers	9,000	-	-	9,000
Ordinary Office Desk -Single Drawer	5,000	-	-	5,000
Plastic Chairs	58,000	-	-	58,000
Plastic Chairs	63,500	-	-	63,500
Secretary Chair	5,370	-	-	5,370
Tables with Drawers	2,000	-	-	2,000
Tables with Drawers - One sided 3 drawers	3,000	-	-	3,000
Tables with Drawers - One sided 3 drawers	3,000	-	-	3,000
Tables with Drawers - Two sided 3 drawers	3,000	-	-	3,000

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
	407,840	-	-	407,840
ICT Equipment, Software and Other ICT Assets				
Kyocera Ecosys Copier	468,518	-	-	468,518
HP Pavilion Laptop	131,080	-	-	131,080
HP Pavilion Laptop	131,080	-	-	131,080
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Acer LCD Projector 4000mm	50,000	-	-	50,000
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Epson Printer L210	24,999	-	-	24,999

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
HP Desktop Pro PCI MT	NG - CDF Board	-	-	NG - CDF Board
HP ProDesk 400	50,000	-	-	50,000
Kyocera Mita TK Copier	268,500	-	-	268,500
Laptop -HP 530	65,000	-	-	65,000
Laptop HP15	78,880	-	-	78,880
Laptop HP15	78,880	-	-	78,880
Laptop-Hp Intel Core i3	90,000	-	-	90,000
Laptop-Hp Intel Core i3	90,000	-	-	90,000
Printer - HP Deskjet 1015	7,000	-	-	7,000
Printer - HP Laserjet P2055	NG - CDF Board	-	-	NG - CDF Board
Printer - HP Laserjet P2055d	24,999	-	-	24,999
Printer – Xcess	93,280	-	-	93,280
Printer Laserjet Pro 400	29,000	-	-	29,000
Scan Jet Hp 5590	NG - CDF Board	-	-	NG - CDF Board
	2,560,486	-	-	2,560,486
Other Machinery and Equipment				
L.G Fridge	59,995	-	-	59,995
Hot Cold Dispenser	16,395	-	-	16,395
Lawn Mower	76,845	-	-	76,845

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Ramtoms Dispenser Fridge	19,295	-	-	19,295
Disiel Generator - 4KVA	346,308	-	-	346,308
	518,838	-	-	518,838
Grand Total	33,759,527	-	-	33,759,527

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 Annex 4 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Bisunu Primary School	Co-operative	01139167272600	-	11,150
Bukhakunga Secondary School	Co-operative	01139098255202	2,040	3,000
Bulupi Primary School	Co-operative	01139098494701	725	1,205
Bulupi Secondary School	Co-operative	01139098113302	1,713	2,673
Bunuku Primary School	Co-operative	01139098489001	-	1,000
Burundu Chief's Office	Co-operative	01141804813500	-	746
Chegulo Primary School	Co-operative	01139411334600	750	1,710
Chemuche Chief's Office	Co-operative	01141804813400	885	1,845
Cheptuli Primary School	Co-operative	01139610730300	10,177	36,137
Chesero Primary School	Co-operative	01139632381700	8,062	9,022
Chimoroni Primary School	Co-operative	01139166903700	-	1,053
Chimoroni Secondary School	Co-operative	01139098227403	71,770	72,250
Chombeli Primary School	Co-operative	01139166704300	2,079	5,437
Fubuye Primary School	Co-operative	01139098489904	1,946	2,906
Fuvale Primary School	Co-operative	01139098495400	1,040	2,000
Isanjiro Girls Secondary School	Co-operative	01139545084603	4,656	3,366
Isanjiro Primary School	Co-operative	01139166058301	32,485	33,445
Kakoyi Primary School	Co-operative	01139098489101	-	1,040
Kimangeti Girls Secondary School	Co-operative	01139098253003	893	1,973

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Kimangeti Primary school	Co-operative	01139098488501	-	709
Kokoyo Primary School	Co-operative	01139804719600	3,123	4,083
Kuvasali Police Post	Co-operative	01141804538400	-	972
Kuvasali Secondary School	Co-operative	01139098227002	-	57
Lukala Primary School	Co-operative	01139098495601	683	1,643
Lukhokho Primary School	Co-operative	01139167319400	5,454	454
Lunyu Primary School	Co-operative	01139167562200	594	1,544
Lurale Primary School	Co-operative	01139098491000	13,988	14,948
Lusumu Primary School	Co-operative	01139631203400	1,563	2,523
Lutali Primary School	Co-operative	01139631045900	829	1,789
Lwanda K Secondary School	Co-operative	01139098255502	63,526	214,846
Mahira Primary School	Co-operative	01139098495001	2,360	3,320
Mahira Secondary School	Co-operative	01139098142302	-	126,947
Mahusi Primary School	Co-operative	01139098495901	-	88,961
Makhwabuye Primary School	Co-operative	01139098490601	-	1,093
Malava Boys Secondary School	Co-operative	01139098141202	67,724	68,684
Malava Primary School	Co-operative	01139098492502	-	1,011
Malichi Primary School	Co-operative	01139098489602	10,338	10,818
Malimali Primary School	Co-operative	01139098493000	530	1,490
Manda Secondary School	Co-operative	01141804798500	-	1,341

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Mang'uliro Primary School	Co-operative	01139098493601	-	824
Masungutsa Primary School	Co-operative	01139804719900	-	1,067
Matende Primary School	Co-operative	01139098493401	520	1,000
Matete Primary School	Co-operative	01139435276700	2,013	2,973
Matete Secondary School	Co-operative	01141098255300	606	1,566
Matioli K Primary School	Co-operative	01139167483600	-	213
Mugai Secondary School	Co-operative	01139098254702	10,220	11,180
Mukangu Primary School	Co-operative	01141165784700	1,918	2,398
Mukavakava Primary School	Co-operative	01139098488101	540	1,500
Mukhungula Primary School	Co-operative	01139098490900	-	1,000
Mukhuyu Primary School	Co-operative	01139166939000	2,064	3,024
Mukoko Primary School	Co-operative	01139632431400	4,148	5,108
Mukongolo Primary School	Co-operative	01139098423001	2,740	3,700
Munanga Primary School	Co-operative	01139165154700	-	983
Muriola Primary School	Co-operative	01139632796400	-	84,276
Musidi Primary School	Co-operative	01139167273900	413	431
Mutoto Primary School	Co-operative	01141165007200	74,100	74,580
Mutsuma Primary School	Co-operative	01139098486300	670	1,630
Mutsuma Secondary School	Co-operative	01139098350503	41,979	42,939
Namatala Primary School	Co-operative	01139609943600	9,395	9,875

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Namushiya Primary School	Co-operative	01139098486101	1,440	2,400
Namushiya Secondary School	Co-operative	01139098232402	4,112	5,552
Samitsi Primary School	Co-operative	01139098486200	16,229	17,189
Sawawa Secondary School	Co-operative	01139631376400	-	1,157
Shamoni Secondary School	Co-operative	01139098143202	3,246	3,726
Shanda Primary School	Co-operative	01139167273100	74,719	75,679
Sheywe Primary School	Co-operative	01141804848300	3,495	27,956
Shilongo Primary School	Co-operative	01139631648302	8,793	9,273
Shivanga Chiefs Office	Co-operative	01141805176200	-	34,878
Shivanga Primary School	Co-operative	01139098492002	8,315	9,275
Shivanga Secondary School	Co-operative	01139098254901	4,876	5,356
Shivikhwa Primary School	Co-operative	01139098495300	-	1,000
Silungai Boys Secondary School	Co-operative	01139098261801	12,727	13,687
Silungai Primary School	Co-operative	01139435339101	20,550	21,510
St. Martin Primary School	Co-operative	01139435276000	6,021	6,981
St. Monica Namatala Girls	Co-operative	01139631104304	-	336
Teresia Primary School	Co-operative	01139167461600	60	540
Tumbeni Primary School	Co-operative	01139098495501	720	1,680
Tumbeni Secondary School	Co-operative	01139631019703	12,346	13,786
Wavoka Primary School	Co-operative	01139098495200	2,211	3,171

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Burundu Primary School	Co-operative	01139098487100	1,900	0
Chiveli Primary School	Co-operative	01139098488400	137,279	0
Kalenda Primary School	Co-operative	01139098486400	1,000,370	0
Lugusi Primary School	Co-operative	01139098490300	550	0
Misimo Primary School	Co-operative	01141805865800	941	0
Sharambatsa Primary School	Co-operative	01139098487701	204,759	0
Tande Primary School	Co-operative	01139610482600	55,341	0
Tombo Primary School	Co-operative	01139610765200	22,462	0
Kakunga Girls Secondary School	Co-operative	01139166638101	86,064	0
Kalenda Girls Secondary School	Co-operative	01139166481702	9,432	0
Kimangeti Boys Secondary School	Co-operative	01139098253003	893	0
Namanja Secondary School	Co-operative	01139098226802	2,410	0
Shamberere Boys Secondary School	Co-operative	01139098143603	691	0
Silungai Girls Secondary School	Co-operative	01139098261801	12,727	0
Total			2,176,932	1,244,584

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Annex 5: 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)
<p>REPORT ON THE FINANCIAL STATEMENTS</p> <p>1. Inaccuracy of Comparative Balance for Transfers from CDF Board</p>	<p>Note 1 to the financial statements reflects a comparative balance for transfers from NGCDF Board of Kshs. 131,367,724. However, a recasting of the individual balances that constitute the balance reflects a recomputed balance of Kshs. 119,367,724. The variance of Kshs. 12,000,000 has not been explained or reconciled.</p> <p>In the circumstances, the accuracy and completeness of the comparative balance of Kshs. 131,367,724 could not be confirmed.</p>	<p>There was an oversight during preparation of financial statement where the comparative balance of transfer of funds from NGCDF Board was under casted by Ksh.12,000,000. This was due to omission of AIE No. B 140642 of Ksh.12,000,000 which had not been captured. However, Malava NGCDFC the financial statement has since been amended and availed for verification.</p>	Resolved	N/A
<p>2. Inaccuracy of Other Grants and Payments Expenditure</p>	<p>The statement of receipts and payments reflects an amount of Kshs. 53,931,065 in respect of other grants and transfers which, as disclosed in Note 7 to the financial statements, includes Kshs. 11,131,387 relating to emergency projects. The amount of Kshs. 11,131,387 includes Kshs. 1,191,052 paid to a local company for services rendered. However, the payment voucher provided for audit shows an</p>	<p>The overstatement of Emergency figure by Ksh.1,000,000 was a compensating error whereby the figure for Bursaries was understated by the same amount under Other grants and Transfers category. This has now been amended and financial statement availed for review.</p>	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)
	amount of Kshs. 191,052. The resulting variance of Kshs.1,000,000 was not explained or reconciled. In the circumstances, the accuracy and completeness of the expenditure of Kshs. 1,191,052 could not be confirmed.			
3. Overstatement of Expenditure on Use of Goods and Services	The statement of receipts and payments and Note 5 to the financial statements reflects use of goods and services amount of Kshs.9,047,023. The amount includes Kshs.1,993,808 incurred on office and general supplies and services out of which Kshs.468,512 and Kshs. 262,160 were incurred on supply and delivery of a copier machine and two HP pavilion laptops respectively. No explanation was provided on why the amounts were accounted for under use of goods and services instead of acquisition of assets. In the circumstances, the expenditure on use of goods and services was overstated by Kshs.730,672 while expenditure on acquisition of assets was understated by the same amount.	This was an oversight during preparation of the financial statement. The items have now been properly classified and the amended financial statement availed for verification.	Resolved	N/A
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES	The statement of receipts and payments and Note 6 to the financial statements reflect transfers to other Government	The title deed could not be availed for review since the process was not complete. The process is	Resolved	N/A

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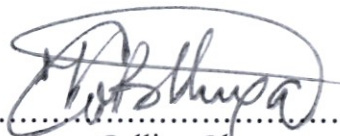
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Transfer to Other Government Units	<p>units of Kshs.114,456,496 which includes Kshs.56,753,936 transferred to primary schools. The amount of Kshs.56,753,936 includes Kshs.1,800,000 disbursed to Lunyelilia Primary school for purchase of 1 acre piece of land including processing of title deed at Kshs.800,000 and construction of one (1) classroom at Kshs.1,000,000. However, a title deed for the piece of land has not been obtained.</p> <p>Further, audit inspection carried out on 21 March 2023, revealed that the construction of the classroom was complete but was not in use. However, the floor had already developed cracks while the windows had no fasteners and the glasses had not been fitted. The wall paint was also peeling off.</p> <p>In the circumstances, value for money was not obtained from the project.</p>	<p>still ongoing and has reached consent stage. On physical verification of the project, the defects noticed were because final finishing had not been done. The contractor has since completed the project and it is in a very good condition.</p>		
2. Project Implementation Status (PIS)	<p>The project implementation status report as at 30 June 2022 indicated that the Fund intended to implement seventy-four (74) projects with an allocation of Kshs.122,650,000 during the year under review. However, forty-four (44) or 59% of the projects with a total allocation of Kshs.35,300,000</p>	<p>It is true the management had not fully implemented all the projects budgeted for and approved by the NGCDF Board as at the time of Reporting. However, the projects have now been implemented as seen in the updated</p>	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>were completed, seventeen (17) projects or 23% of the projects allocated Kshs.33,000,000 were ongoing while thirteen (13) or 18% of the projects with a budget allocation of Kshs.12,200,000 had not started.</p> <p>No satisfactory explanation was provided on why the 17 projects had not been completed and why the other 13 projects had not been started.</p> <p>In the circumstances, value for money was not obtained from the thirty (30) projects.</p>	<p>Projects Implementation Status Report</p>		



Collins Obuya
Fund Account Manager

FUND ACCOUNT MANAGER
NG - CDF, MALAYA