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OFFICE OF THE AUDITOR-GENERAL

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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – IGEMBE SOUTH
CONSTITUENCY**

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



OFFICE OF THE AUDITOR GENERAL
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IGEMBE SOUTH 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)

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

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I. Acronyms and Abbreviations

NG CDFB- National Government Constituencies Development Fund Board

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Jesee Mbutia
2.	Sub-County Accountant	Henry Mugambi
3.	Chairperson NGCDFC	Lucy Nkoroi
4.	Member NGCDFC	Isaac Mutwiri

(c) Fiduciary Oversight Arrangements

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

P.O. Box 98-60600
NG_CDF Igembe South Constituency Offices
Public Works Road
Maua, KENYA

(e) Igembe South Constituency NGCDF Contacts

Telephone: (254) 0711660053
E-mail: cdfigembesouth@ngcdf.go.ke
Website: www.igembesouth.ngcdf.go.ke

(f) Igembe South Constituency NGCDF Bankers

Family Bank

A/C Name: NG-CDF Igembe South

A/C no.086000008930

Maua Branch

P.O Box Maua

(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 Chairpersons's Report



**LUCY NKOROI KAILEMIA
CHAIRPERSON IGEMBE SOUTH NG CDF**

We are pleased to present the Financial Statements for the National Government Constituencies Development Fund (NGCDF) Igembe South Constituency for the year ended 30th June 2023. During the FY 2022/2023, Igembe South Constituency was allocated Kshs 145,087,603.

The funds were utilized to fund various projects and activities that fall under the National Government functions as stipulated in the constitution and in accordance with NGCDF Act 2015.

We allocated funds and implemented various projects across the Education, Security, social security projects, and emergency sectors in the Constituency.

Key Achievements:-

Key among the projects successfully implemented to completion include the bursary awards project in the Bursary and Social security sector which, the social security projects of NHIF and Emergency projects.

A notable milestone is the prioritization, funding and Implementation of completion works on all the ongoing projects top among them being the completion of Twin Skills Lab and Multipurpose Hall at the KMTTC Maua campus. All our projects have been evenly distributed in the Constituency.

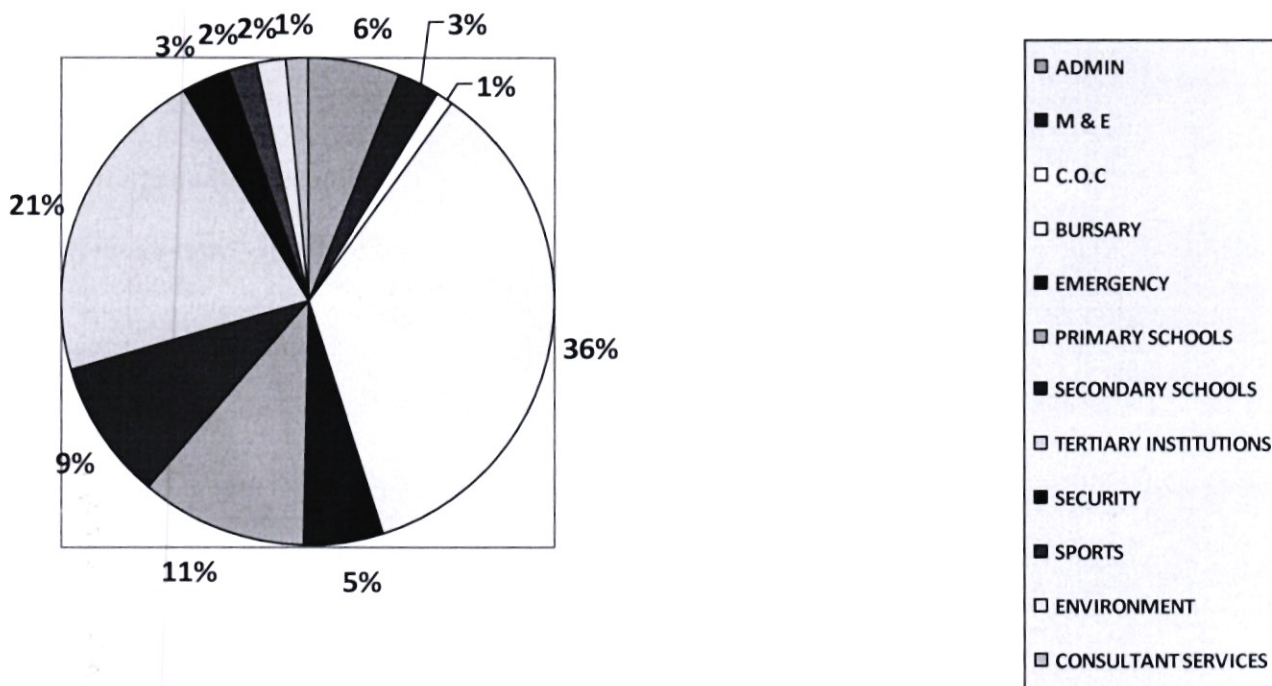
In addition to the successful completion of the bursary award projects we have managed to achieve successful implementation of our projects with some at completion stage.

We have managed to achieve a lot of progress in implementation of our projects with the bursary project complete and some projects are in completion stage.

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The delay in implementation to completion of the Financial. Year's projects is occasioned by the disruptions that characterized the beginning of the year. The General election and the nullification of the cdf Act of 2013 are some of the disruptions that affected the normal calendar of the NG CDF operations.

IGEMBE SOUTH NG-CDF BUDGET
 EXECUTION FY 2022/2023



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Twins Laboratory at KMTC Maua Campus

The Project is newly constructed and located within Maua Town, Igembe South sub-county at KMTC Maua Campus .Its fully funded by the NG CDF Igembe South at Ksh 28,000,000. The campus is operational and its expected to admit more students upon Completion. The Skills Laboratory is expected to benefit more than 100 students at any given time at the campus. Its also expected to open more study opportunities to the residents of the constituency and beyond.

Emerging issues at Igembe South NG-CDF.

1. The nullification of the cdf Act of 2013 in the Supreme Court Ruling of the 2022.This sparked confusion among the public and led to delays in planning for the Financial Year as an advisory on the Supreme Court ruling was sought from the Attorney General.
2. The beginning of the financial year was characterized by the General election which resulted to appointment of a new National Government Constituencies Development Fund committee. This too affected the timelines.
3. Despite the national government announcing post-covid recovery measures, the NG CDFB has not given us a guideline on how we can help our people to recover economically. This has led to continued increase of poverty levels within the society which affects the office indirectly.
4. There have been many challenges since some sectors were devolved and therefore could no longer be funded by NG-CDF. Due to this some projects have stalled and this has caused a lot of complaints from the community members. For instance, some bridges and roads that were in the past being improved through NG-CDF have been neglected after they were handed over to county government and it is a challenge to satisfactorily make the public understand the shift of roles.
5. Despite the challenges, the community has hailed NG-CDF kitty since most of the projects within the communities have been implemented by NG-CDF.

Implementation challenges faced by NG-CDF Igembe South.

1. Delayed recruitment of competent key staffs
2. Lack of civic education among the locals on the roles of NG-CDF today – Sometimes, the community will present proposals that are not within the scope of work of NG-CDF.
3. Low capacity of some project management committees who were not able to prepare good record of work.
4. The constituency is vast hence it's hard for the public's works engineer to set a standardized cost estimates for similar projects done in different areas. For instance, there are some schools that are located in areas with zero access to electricity, roads and water. When a contractor is awarded a project in such a school with the same rate as that of projects found in urban or closer to urban areas, the possibility of the contractor incurring losses is quite high.

Mitigation Measures Igembe South NG_CDF has put in place.

1. Recruitment of a highly skilled staffs that can address most of the issues raised by the community and clearly explain to them the roles of NG-CDF and those of other government entities.
2. Capacity Building of the NG CDFC
3. As a rule, the office is very strict when it comes to record management.
4. Constant field visits to inspect projects and ensure that all stakeholders are satisfied with the quality of work done.
5. The issue about expansiveness of the constituency has been raised severally and the office was advised to work with the public works engineer and come up with cost estimates that would factor in the hardships in some areas of the constituency.

RECOMMENDATION

1. There is need for the NG-CDFB to allow and budget for continuous civic education within our communities- Unless the community fully understands the roles of NG-CDF, the constituency leadership must be ready to face accusations regarding issues that are not in the NG-CDF docket.
2. The NGCDFC internal control system need to do vigorous monitoring and evaluation to ensure good progress of all funded projects and quality work is done.
3. There is need to train/capacity build PMC members on pertinent information relating to project implementation to acquire relevant skills for effective participatory monitoring and evaluation to ensure effective implementation of projects.
4. Project Management Committees also should also be trained on various project management issues including record management from time to time so that they can effectively create project files that are beyond reproach

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CONCLUSION.

We take this opportunity to appreciate the support we have received from NGCDF Board & the Secretariat throughout the year, we look forward to continued engagement. We also want to thank all PMCs for their hard work in implementing projects, Government Officers in the Constituency for their contribution and the people of Igembe South for their support. Finally, let me say a big thank you to all members of my committee for their immeasurable contribution and our staff for their commitment demonstrated throughout the year as we work together on our vision of realizing equitable socio-economic development across Igembe South.

To all I say **ASANTE SANAI**


.....

LUCY NKOROI KAILEMIA

CHAIRPERSON NGCDF COMMITTEE

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

Introduction

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

The key development objectives of **Igembe South Constituency 2023-2027** plan are to:

- a) Improve infrastructure in all schools
- b) To have all children of school going age attending school
- c) To have morally upright and economically engaged youths
- d) Ensure equal representation and gender equality
- e) Reduce insecurity within the community
- f) Upgrade the working environment of administrators like the police officers, chiefs, assistant chiefs
- g) Nurture the talents of the youths through sporting activities

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 22/23 we increased number of classrooms by 7, increased administration police post by 1, Laboratories 2 and completed all ongoing works in the following schools/institutions</p> <p>Kambane Primary School -1 classroom Kithetu Kiremene Primary 2 classrooms, Lakathi Primary 2 classrooms and</p>

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				<p>Ntherone primary 2 classroom Luluma Day Sec School – 1 Laboratory and Athimba Day Secondary-1 Laboratory. We also completed ongoing works at Athiru Gaiti Primary School -Stored 6 classrooms block Riaki Day School – Storey admin block and library KMTC Maua Satellite Campus – 2 skills lab and the capacity multipurpose hall, Auki Day storey library Kathambi Pry Sch. – 1 classroom. We increased the number of desks by 140 with the following schools benefitting: Kambane Pry Sch. – 20 desks Kithetu Primary 40 desks,Lakathi Pry. Sch. 40 desks and Ntherone 40 desks - We increased the number of Bursary beneficiaries to over 8,000 and greatly enhanced the full scholarship program.</p>
Security	<p>Reduce insecurity incidences -Upgrade the working environment of the local administrators</p>	Favourable working environment for the local administrators	Good structures for local administrators	<p>We funded construction of 1 Administration police post and completed the ongoing works at Kabuline Assistant Chiefs offices</p>

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Environment	Ensure a more sustainable and well-kept environment through planting of trees and soil erosion management through proper drainage systems	School field levelling and grass planting Planting of trees in selected schools erosion	Levelling of Primary School and grass planting Planting of trees at - Kithetu Kiremene - Ntingirai Pry school - - -	Number of schools fields levelled increased by two
Sports	Nurture the talents of the youths through sports activities	Improved independence among the young, mitigation of drugs and substance abuse through engaging young people in active sporting activities such as football and volleyball.	Number of youth teams benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 60 to 110.
Emergency	Ensure enough preparation against uncertainties	Set aside emergency fund to cater for unforeseen occurrences	Number of uncertainties prevented	Number of uncertainties prevented.

V. Statement of Governance

Introduction

Igembe South National Government Constituencies Development Fund Committee is established under Sec 43(1) of the NG-CDF Act 2015 as amended in 2022. Its comprises of ten(10) members seven of who include;-

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

Appointment of NG CDFC members

The National Government Constituencies Development Fund Committee members were appointed through a Selection Panel as constituted as per Regulation 5 of the NG CDF Regulations 2016.

The process is initiated by the Chief Executive Officer by disseminating of a circular issuing guidelines on the formation of the committee to the Accounting Officers

- The Fund Account Manager writes a letter to the Deputy County Commissioner and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt
- The Deputy County Commissioner nominates in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
- The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
- The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and

female youth) and advertise (the applicants shall be given two weeks to submit their applications).

- The Fund Account Manager writes to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt
- The Constituency Office Manager responds in writing by nominating two members to the NG-CDFC.
- The FAM writes to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintains a record confirming receipt
- The PWD organization nominates in writing a member to the NG-CDFC.
- The selection Panel meets and approves the advertisement which is circulated in the constituency widely giving it a minimum of 14 days to receive the applications.
- The Selection panel conducts the shortlisting exercise to get the suitable candidates as per the criteria in the advert. The successful candidates are then invited for interviews, the Panel conducts the interviews and forward the final list to the NG CDF Board together with selection report and minutes within the seven days from the time of interviews.
- The NG CDF Board then submits to the National Assembly for approval.
- On approval members are gazetted and later notified, an inaugural meeting is convened by the officer coordinating national government functions at constituency level.

Following the end of 12th Parliament, the NG CDFC mandate lapsed, the Chief Executive Officer communicated vide circular number NG-CDFB/CEO/CIRCULARS/Vol.11 (033) dated 15th September 2022 to all Fund Account Managers, The Fund Account manager communicated to the Deputy County Commissioner on the formation and requested for nomination of two members to the selection panel and further communicated to the Constituency Office Manager on nomination of a male and female nominees to the selection panel as stipulated in the NG CDF Act 2015 Sec 43(1)

The Selection Panel met and deliberated on the formation process where they invited applications and later interviewed the applicants.

The members who had worked in the fund were given priority. Only one member was reinstated and new entrants were 6. The report was forwarded to the NG CDF Board on 7th

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November 2022 while the gazettelement took place on 9th December 2022 vide Kenya Gazette Notice Vol. CXXIV – No. 266. The inaugural NG CDFC meeting was held on 22nd December, 2022.

The process of removing a member.

There must be a complaint lodged to the NG CDF Committee citing grounds of removal as per Sec 43(13) of the NG CDF Act, 2015. The grounds include-

(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.

On receiving the complaint, it is communicated to the NG CDFC by the Chairman or the Fund Account Manager in writing.

The accused is given a fair hearing, if guilty the minutes with a resolution of removing a member are forwarded to the legal department for de-gazettelement.

Igembe South Constituency did not remove any member after the gazettelement.

Roles of the Committee.

The roles of NG-CDF Committee as outlined by NG-CDF Regulations 2016 and include among others:

1. Deliberate on all proposals from all wards in the constituency.
2. Consult with relevant government departments to ensure that the cost estimate for the projects is as realistic as possible.
3. Rank project proposals in order of priority provided that ongoing projects shall take precedence
4. Ensure the projects proposed for funding comply with the Act.
5. Monitor the implementation of projects.
6. Recommend to the board the removal of a member of the NG-CDFC in the line with section 24 sub sections 14-16 of the NG CDF Act 2015.

Induction/Training.

Upon appointment of the new members of the committee induction training is conducted by the relevant government departments for the committee to know and understand the NG-CDF act and other relevant laws applicable to the fund.

Capacity building to the NG-CDFC is conducted by the NG CDF Board once gazettelement is complete in all constituencies

NG CDF Board conducted a capacity building to all NG CDFC members, Fund Account Managers and Sub County Accountants in April 2023, (invitation circular from the NG CDF Board Ref No. NG CDFBOARD/CIRCULARS/Vol 11/34 dated 13th April 2023.

Number of Meetings in a Year.

The Sec43 (11) of the NG CDF Act 2015 The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

Igembe South Constituency convened 16 meetings in the course of the financial year.

Policy on Conflict of Interest.

NG-CDF Act specifies clearly that any member with an interest in the fund shall not participate in a meeting deliberation on the fund is made and shall withdraw in such a meeting or resign from being a committee member.

None of the NG CDFC members declared conflict of interest.

Remuneration of Members

The NG CDF Board guided through a circular on allowances payable to the committee members as follows:

Each member shall receive an allowance of Ksh.5, 000 and the chairman of the constituency fund will receive Ksh.7, 000 per sitting.

The Fund Account Manager paid the allowances as per the rates prescribed in the circular during the year.

Ethics and Code of Conduct

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

During the recruitment of the NG CDFC, it was a requirement to provide chapter six requirements, the members provided Clearance from Higher Education Loans Board, Credit Reference Bureau, Tax compliance certificate, self-declaration form from the Ethics and Anti-Corruption Commission and Certificate of good conduct.

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Risk Management

It is the responsibility of the members of the committee to ensure that they are well versed with the constituency risks and put in place controls to mitigate them.

During the Capacity building exercise that was conducted by the NG CDF Board in April 2023, NG CDFC were trained on risk management further the FAM conducted an elaborate training and sensitised the NG CDFC on constituency risks. The NG CDFC has embarked on mitigating of numerous stale cheques by engaging the Postal Corporation of Kenya to deliver and bring returns on bursary cheques, to fund the projects to completion so as to give value to the residents and recruit qualified employees to improve on project management committee documentation.

VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Igembe South 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

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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 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- We have endeavoured to support the students participating in environment projects by funding the Levelling of Primary School play-ground and grass planting in- Kithetu Kirimene and Ntingirai Pry school

Playground levelling and grass planting at Ntingirai Primary School

- We funded the construction of 1 Administration police post and completion the ongoing works at Kabuline Assistant Chiefs offices.
- NG CDFC Igembe South Sponsored/funded NG-CDF sporting activities / tournaments in the constituency.

3. Employee welfare

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

Igembe South 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-

Igembe South 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.

Igembe South Constituency

National Government Constituencies Development Fund (NGCDF)

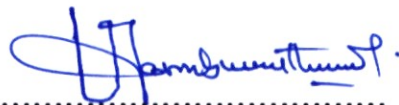
Annual Report and Financial Statements for The Year Ended June 30, 2023

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.

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



.....

Name: Jesece Mbuthia

Fund Account Manager.

II. 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-Igembe South 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-Igembe South 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-Igembe South 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 Igembe South 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

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

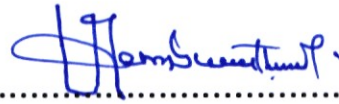
year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Igembe South Constituency financial statements were approved and signed by the Accounting Officer on 14/03/ 2024.

.....

**Name: Lucy Nkoroi
Chairperson – NGCDF Committee**



.....

**Name: Jese Mbutia
Fund Account Manager**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ISEMBE SOUTH 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 overall 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 - Isembe South Constituency set out on pages 1 to 51, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and summary statement

of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.57,026,281. The amount includes bursaries of Kshs.38,117,540 disbursed to secondary schools, Kshs.9,216,000 disbursed to tertiary institutions and Kshs.559,128 for special schools all totalling Kshs.47,892,669 as disclosed in Note 8 to the financial statements. However, review of the supporting documents provided for audit established the following anomalies;

- a) The schedule of all the successful applicants revealed that the Fund awarded bursaries of Kshs.3,000 to 10,679 applicants, between Kshs.10,000 and Kshs.186,000 to 496 applicants and a maximum of Ksh.200,000 to one (1) applicant in Mount Kenya University. However, a formal criterion for vetting needy students was not provided for audit.
- b) Bursary disbursements amounting to Kshs.110,000 to six applicants lacked institution names.
- c) Bursary disbursements amounting to Kshs.1,938,565 to 554 successful applicants lacked admission numbers.

In the circumstances, the accuracy and completeness of bursary disbursements of Kshs.47,892,669 could not be confirmed.

2. Unsupported Project Management Committee Account Balances

Note 18.4 to the financial statements reflects Project Management Committee (PMC) account balances of Kshs.6,327,361. However, cashbooks and bank reconciliation statements in support of the balances were not provided for audit review.

In the circumstances, the accuracy and completeness of PMC bank account balances of Kshs.6,327,361 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 - Igembe South 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 final receipts budget and actual on comparable basis of Kshs.150,856,494 and Kshs.92,678,891 respectively resulting to an under-funding of Kshs.58,177,603 or 39% of the budget. Similarly, the Fund spent a balance of Kshs.65,323,886 against actual receipts of Kshs.92,678,891 resulting to an under-utilization of Kshs.27,355,005 or 29% of the actual receipts.

The underfunding 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregularities in Emergency Projects Expenditure

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and transfers amounting to Kshs.57,026,281. The amount includes emergency projects expenditure of Kshs.7,633,613, which further includes an amount of Kshs.1,599,438 paid to Kilili Primary School for construction of a toilet. However, the expenditure did not meet the threshold of an emergency as defined under Section 8(3) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

In addition, there was no evidence provided to indicate that a report to the Board was made on emergency expenditure of Kshs.7,633,613, within 30 days after the expenditure as provided for by the Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which require that the utilization of the emergency reserve shall be reported to the board within thirty days of the occurrence of the emergency.

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

2. Failure to Establish a Criterion for Social Security Programme (NHIF)

Note 8 to the financial statements reflects other grants and other payments expenditure totalling Kshs.57,026,281, out of this expenditure, Kshs.1,500,000 was spent on social security programmes (NHIF) to cater for 250 beneficiaries at Kshs.6,000 per person per annum. The programme was aimed at providing medical cover and access to healthcare to selected vulnerable groups. However, there were no duly established criteria capable of identifying the vulnerable citizens and the scoring since not every needy person can fit within the budget. Further, the sustainability of the programme in the future years could not be confirmed.

In the circumstances, the regularity and validity of the NHIF disbursements of Kshs.1,500,000 could not be confirmed.

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 misstatements, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease 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 misstatements, 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 controls 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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

30 May, 2024

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

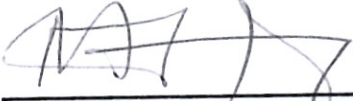
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

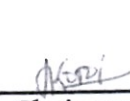
	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers from NGCDF Board	1	87,000,000	182,177,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	79,000
TOTAL RECEIPTS		87,000,000	182,256,758
Payments			
Compensation of employees	4	3,100,034	2,991,546
Committee expenses	5	2,573,080	4,785,000
Use of goods and services	6	2,624,491	3,866,283
Transfers to Other Government Units	7	-	99,856,313
Other grants and transfers	8	57,026,281	80,013,014
Acquisition of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
TOTAL PAYMENTS		65,323,886	191,512,156
SURPLUS/DEFICIT		21,676,115	(9,255,398)

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 14/03/2024 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairperson NG-CDF Committee

Name: Jesece Mbuthia

Name: Henry Mugambi
ICPAK M/No:

Name: Lucy Nkoroi

Igembe South Constituency

National Government Constituencies Development Fund (NGCDF)

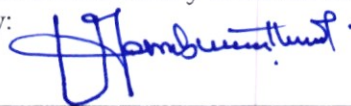
Annual Report and Financial Statements for The Year Ended June 30, 2023

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)	12A	27,516,423	5,768,891
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		27,516,423	5,768,891
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		27,516,423	5,768,891
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		27,516,423	5,768,891
Represented By			
Fund Balance B/Fwd	15	5,768,891	15,024,289
Prior Year Adjustments	16	71,417	-
Surplus/Deficit for The Year		21,676,115	(9,255,398)
Net Financial Position		27,516,423	5,768,891

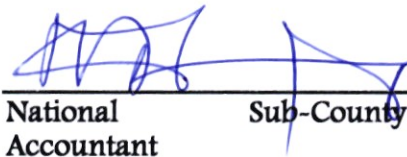
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 14/03/2024 and signed by:



Fund Account Manager

Name: Jesece Mbuthia



National Accountant

Name: Henry Mugambi
ICPAK M/No:



Chairperson
Committee

Name: Lucy Nkoroi

NG-CDF

Igembe South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	-	79,000
Total Receipts		87,000,000	182,256,758
Payments			
Compensation Of Employees	4	3,100,034	2,991,546
Committee Expenses	5	2,573,080	4,785,000
Use Of Goods and Services	6	2,624,491	3,866,283
Transfers To Other Government Units	7	-	99,856,313
Other Grants and Transfers	8	57,026,281	80,013,014
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		65,323,886	191,512,156
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	16	71,417	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18		-
Net Cash Flow from Operating Activities		21,747,532	(9,255,398)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		21,747,532	(9,255,398)
Cash & Cash Equivalent at Start Of The Year	12	5,768,891	15,024,289
Cash & Cash Equivalent at End Of The Year	12	27,516,423	5,768,891

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

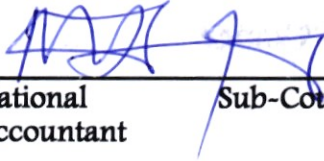
The Constituency financial statements were approved by NG CDFC on 14/03 2024 and signed by:

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



Fund Account Manager

Name: Jesece Mbuthia



National
Accountant

Name: Henry Mugambi
ICPAK M/No:

Sub-County



Chairperson
Committee

Name: Lucy Nkoroi

NG-CDF

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

XI. 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	145,087,603	5,768,891			150,856,494	92,678,891	58,177,603	61.5%
Proceeds From Sale of Assets					0		-	
Other Receipts					0		-	
Totals	145,087,603	5,768,891	0		150,856,494	92,678,891	58,177,603	61.5%
Payments								
Compensation Of Employees	4,816,613	1,134,583			5,951,196	3,100,034	2,851,163	52.1%
Committee Expenses	2,232,000	500,000			2,732,000	2,573,080	158,920	94.2%
Use Of Goods and Services	6,009,271	1,024,241			7,033,512	2,624,491	4,409,021	37.3%
Transfers To Other Government Units	60,209,364				60,209,364	-	60,209,364	0.0%
Other Grants and Transfers	68,420,355	3,110,067			71,530,422	57,026,281	14,504,141	79.7%
Acquisition of Assets								
Oversight Committee Expenses	1,400,000				1,400,000	-	1,400,000	0.0%
Other Payments	2,000,000				2,000,000	-	2,000,000	0.0%
Funds Pending Approval**								
Totals	145,087,603	5,768,891	0		150,856,494	65,323,886	85,532,609	43.5%

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

Explanatory Notes.

- (a) Ksh 58,087,603 had not received from the NG CDF Board as at 30th June, 2023. There was no A-I-A during the FY 2022/2023.
- (b) During the FY 2023 Bursary and Social security and Emergency were implemented at Ksh 57,331,281 representing 87.35%.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	85,532,609
Less undisbursed funds receivable from the Board as at 30 th June 2023	58,087,603
	27,445,006
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	71,417
Cash and Cash Equivalents at the end of the 30 th June 2023	27,516,423

The Constituency financial statements were approved by NG CDFC on 14/03/2024 and signed by:



Fund Account Manager

Name: Jese Mbutia



National Sub-County Accountant

Name: Henry Mugambi
ICPAK M/No:



Chairperson NG-CDF Committee

Name: Lucy NKoroi

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

XII. 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/Blk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,816,613	1,134,583		5,951,196	3,100,034	2,851,162
1.2 Committee allowances	1,488,000			1,488,000	1,186,480	301,520
1.3 Use of goods and services	2,400,643			2,400,643	1,839,072	561,571
Sub-total	8,705,256	1,134,583		9,839,839	6,125,586	3,714,253
2.0 Monitoring and evaluation						
2.1 Capacity building	1,925,000	800,000		2,725,000		2,725,000
2.2 Committee allowances	744,000	500,000		1,244,000	1,386,600	(142,600)
2.3 Use of goods and services	1,683,628	224,241		1,907,869	785,419	1,122,450
Sub-total	4,352,628	1,524,241		5,876,869	2,172,019	3,704,850
3.0 Emergency						
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						

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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			
3.4 Security projects						
3.5 Unutilised	7,636,190	92,207		7,728,397	7,633,613	94,784
Sub-total	7,636,190	92,207		7,728,397	7,633,613	94,784
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	31,000,000			31,000,000	38,117,540	(7,422,540)
4.3 Tertiary Institutions	15,780,661	517,860		16,298,521	9,216,000	7,082,521
4.4 Universities						
4.5 Social Security	3,000,000	1,500,000		4,500,000	1,500,000	3,000,000
4.5 Special Needs	1,000,000			1,000,000	559,128	440,872
Sub-total	50,780,661	2,017,860		52,798,521	49,392,668	3,100,853
5.0 Sports						
5.1 Constituency Sports Activity	2,901,752			2,901,752		2,901,752
5.2						
5.3						
Sub-total	2,901,752			2,901,752		2,901,752

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.0 Environment						
6.1 Kithetu Primary School	1,501,752			1,501,752		1,501,752
6.2 Ntingirai Pimary School	1,400,000			1,400,000		1,400,000
6.3Kathima Primary Sschoo		200,000		200,000		200,000
6.4 Muthiru Primary School		200,000		200,000		200,000
6.5 Kiegoi Primary School		200,000		200,000		200,000
6.6 Karurune Primary School		200,000		200,000		200,000
6.7 Kiguru Primary School		200,000		200,000		200,000
Sub-total	2,901,752	1,000,000		3,901,752		3,901,752
7.0 Primary Schools Projects (List all the Projects)						
7.1 Amwamba Pimary School	1,360,000			1,360,000		1,360,000
7.2 Athiru Gaiti Primary School	2,500,000			2,500,000		2,500,000
7.3 Kambene Primary School	1,580,000			1,580,000		1,580,000
7.4 Kithetu Primary School	3,160,000			3,160,000		3,160,000
7.5 Lakathi Primary School	3,160,000			3,160,000		3,160,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.6 Nthorene Primary School	3,160,000			3,160,000		3,160,000
7.7 Nthingirai Primary School	689,364			689,364		689,364
Sub-total	15,609,364			15,609,364		15,609,364
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Athimba Secondary School	5,000,000			5,000,000		5,000,000
8.2 Auki Secondary School	800,000.00			800,000		800,000
8.3 Luluma Day Secondary S	5,000,000			5,000,000		5,000,000
8.4 Riaki Secondary School	2,800,000			2,800,000		2,800,000
Sub-total	13,600,000			13,600,000		13,600,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 Kenya Medical T. Coll. Maua	18,000,000			18,000,000		18,000,000
9.1 Kenya Medical T. Coll. Maua	13,000,000			13,000,000		13,000,000
9.3						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sub-total	31,000,000			31,000,000		31,000,000
10.0 Security Projects						
10.1 Kabuline Ass. Cheifs Office	1,000,000			1,000,000		1,000,000
10.2 Riigi Admnistraion police post	3,200,000			3,200,000		3,200,000
10.3						
Sub-total	4,200,000			4,200,000		4,200,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
Sub-total						
12.0 Oversight Committee Expenses (itemize)						
Accomotion –Domestic Travel	300,000			300,000		300,000
Advertising awareness	95,000			95,000		95,000

**Igembe South Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Payment of DSA	165,000			165,000		165,000
Payment of Allowances	600,000			600,000		600,000
Payment of Transport Expenses	240,000			240,000		240,000
Sub-total	1,400,000			1,400,000		1,400,000
13.0 Others						
13.1 Strategic Plan	2,000,000			2,000,000		2,000,000
13.2 Innovation Hub						
13.2						
Sub-total	2,000,000			2,000,000		2,000,000
Funds pending approval**						
Total	145,087,603	5,768,891		150,856,494	65,323,886	85,532,609

XIII. 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-Igembe South 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.

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.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XIV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B 140805		20,088,879
AIE NO. B 105441		44,000,000
AIE NO. B105772		22,000,000
AIE NO. B 128507		5,000,000
AIE NO. B 128818		12,000,000
AIE NO. B 154016		15,000,000
AIE NO. B 164459		20,000,000
AIE NO. B 155818		19,088,879
AIE NO. B 041290		25,000,000
AIE NO. B185066	7,000,000	
AIE NO. B185341	6,000,000	
AIE NO. B205737	12,000,000	
AIE NO. B206353	12,000,000	
AIE NO. B185606	15,000,000	
AIE NO. B185899	5,000,000	
AIE NO. B205998	15,000,000	
AIE NO .B207863	15,000,000	
TOTAL	87,000,000	182,177,758

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2. Proceeds From Sale of Assets

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

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents	-	79,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere		-
Total	-	79,000

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,776,771	2,924,221
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,315,042	-
Employer Contributions Compulsory national social security schemes	8,220	67,325
Total	3,100,033	2,991,546

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	2,573,080	1,127,000
Other committee expenses		3,658,000
Total	2,573,080	4,785,000

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6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	151,731	131,182
Communication, supplies and services	258,330	47,972
Domestic travel and subsistence	517,080	511,000
Printing, advertising and information supplies & services	-	589,709
Rentals of produced assets	-	
Training expenses	-	610,800
Hospitality supplies and services	324,500	668,499
Insurance costs	175,828	
Specialised materials and services	-	-
Office and general supplies and services	-	-
Fuel , oil & lubricants	592,972	900,000
Other operating expenses	-	19,616
Bank Charges	32,820	
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	571,230	66,000
Routine maintenance- other assets	-	321,505
Total	2,624,491	3,866,283

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Notes To The Financial Statements (Continued)*

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	-	23,094,013
Transfers To Secondary Schools (See Attached List)	-	26,762,300
Transfers To Tertiary Institutions (See Attached List)	-	50,000,000
Total	-	99,856,313

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	38,117,540	45,127,460
Bursary – tertiary institutions (see attached list)	9,216,000	9,755,600
Bursary – special schools (see attached list)	559,128	46,400
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	1,500,000	
Security projects (see attached list)	-	12,000,000
Sports projects (see attached list)	-	2,741,777
Environment projects (see attached list)	-	1,741,777
Emergency projects (see attached list)	7,633,613	7,100,000
Roads projects (see attached list)	-	1,500,000
Total	57,026,281	80,013,014

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

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

10. Oversight Committee Expenses

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

11. Other Payments

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

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Main account)</i>	27,516,423	5,768,891
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	27,516,423	5,768,891
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13. Outstanding Imprests

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

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

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

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	5,768,891	15,024,289
Cash in hand		
Imprest		
Total	5,768,891	15,024,289
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

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16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	5,768,891	71,417	5,840,308
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (Reversal of brsary cheques)	-	-	-
Total	5,768,891	71,417	5,840,308

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

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

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,851,163	1134583
Committee expense	158,920	-
Use of goods and services	4,409,021	-
Amounts due to other Government entities (see attached list)	60,209,364	-
Amounts due to other grants and other transfers (see attached list)	14,504,141	4498308
Acquisition of assets	-	-
Oversight Committee Expenses	1,400,000	-
Other Payments (<i>specify</i>)	2,000,000	-
Funds pending approval		136,000
Total	85,532,070	5,768,891

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18.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	6,327,361	22,279,391
Total		

XV. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	
Compensation of employees	Payment of staff salaries and other benefits	2,851,163	1,134,583	Delayed disbursement of fund from NG CDFB
Committee Expenses	To facilitate the payment of allowances of NG CDFC.	158,920	1,524,241	Delayed disbursement of fund from NG CDFB
Use of goods & services	Use of good and services.	4,409,021		Delayed disbursement of fund from NG CDFB
Sub-Total		7,419,104	2,658,824.0	
Amounts due to other Government entities				
Athiru Gaiti Primary School	Construction of a ramp on a single storey 6 classrooms block by additional construction .	2,500,000		implementation ongoing
Ntherone Primary School	Construction to completion of 2 new classrooms	3,160,000		implementation ongoing
Riaki Primary School	Additional construction of stone pitched holding wall on a slopy compound	2,800,000		implementation ongoing
Lakathi primary school	Construction of 2 classrroms	3,160,000		Ready for Tendering
Amwamba Primary school	Construction of 2 classrroms	1,360,000		Ready for Tendering
Kithetu Primary School	Construction of 2 classrroms	3,160,000		Ready for Tendering

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Kambene Primary School	Construction of 1 Classroom	1,580,000		Ready for Tendering
Ntingirai Primary School	Construction of a toilet block	689,364		Ready for Tendering
Secondary School Education				
Auki Day Secondary	Completion of a ramp	800,000		Ready for Tendering
Athimba Day Sec	Construction of a laboratory	5,000,000		Ready for Tendering
Luluma Day Sec School	Construction of a laboratory	5,000,000		Ready for Tendering
Tertiary Institutions				
KMTC multi Purpose Hall	Completion of multi purpose hall	18,000,000		Ready for Tendering
Kenya Medical Training College- Maua	Completion of 2 No of laboratories	13,000,000		Ready for Tendering
Sub Total		60,209,364	-	
Amounts due to other grants and other transfers				
Security Projects				
Riigi Administration Police Post	Construction of a administrative police post	3,200,000		Ready for Tendering
Sports Projects	To cater for sports equipments and constituency sports tournaments	2,901,752		At Planning Stage

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Environment Projects				
Nting'irai Primary School	Ground Levelling and grass planting	1,400,000		Ready for Tendering
Kithetu Kiremene Primary School	Ground Levelling and grass planting	1,501,752		Ready for Tendering
Muthiru primary School	Tree planting	200,000	1,000,000	To be implemented
Karurune Primary School	Tree planting	200,000		To be implemented
Kathima Primary School	Tree planting	200,000		To be implemented
Kiegoi Primary School	Tree planting	200,000		To be implemented
Kiguru Primary School	Tree planting	200,000		To be implemented
BURSARY-				
Bursary-Tertiary		305,000	517,860	To be implemented
Social Security NHIF		3,000,000	1,500,000	To be implemented
Emergency	To cater for unseen occurrences in the constituency	195,637	92,207	To be implemented
Kabuline Assistant Chiefs Office	Completion of an assistant chief office	1,000,000		To be implemented
Sub-Total		14,504,141	3,110,067.0	
Acquisition of assets				
Subtotal		-		

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Oversight Committee Expenses(itemize)				
Accommodation Domestic Travel	Payment of accomodatio on domestic travell	300,000		Funds Disbursed by NG CDFB
Advertising Awareness	payment of advertising	95,000		Funds Disbursed by NG CDFB
Daiily Subsistence Atllowances	payment of DSA	165,000		Funds Disbursed by NG CDFB
Committee Allowances	Payment of allowances	600,000		Funds Disbursed by NG CDFB
Travel Cost	Payment of transport expenses	240,000		
Subtotal		1,400,000		
Others (specify)				
Strategic Plan	To cater for a 5 year strategic plan FY 2022/2023-2027	2,000,000		To be implemented
Sub-Total		2,000,000		
Funds pending approval				
Grand Total		85,532,609	5,768,891	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	14,961,001			14,961,001
Transport equipment	11,265,759			11,265,759
Office equipment, furniture and fittings	3,200,000			3,200,000
ICT Equipment, Software and Other ICT Assets	1,554,942			1,554,942
Other Machinery and Equipment				
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	30,981,702			30,981,702

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

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
NG-CDF: TIIRA DAY SECONDARY SCHOOL	FAMILY BANK	86000009017	50	-
NG-CDF: RIAKI DAY SECONDARY SCHOOL	FAMILY BANK	86000009057	486,822	1,400,663
MAUA DAY SECONDARY SCHOOL	FAMILY BANK	86000009107	92	92
KITHETU KIRIMENE DAY SECONDARY SCHOOL	FAMILY BANK	86000009110	43	13
ITUMI DAY SECONDARY SCHOOL	FAMILY BANK	86000009123	110	110
NG-CDF ATHIRU GAITI CHIEFS OFFICE	FAMILY BANK	86000009309	244	244
NG-CDF TIIRA PRIMARY SCHOOL	FAMILY BANK	86000009526	824	824
NG-CDF KATHAMBI PRIMARY SCHOOL	FAMILY BANK	86000009636	601,747	91,211
NG-CDF NKARIA KINYALI PRIMARY	FAMILY BANK	86000009663	14	119,156
NG-CDF: KARURUNE PRIMARY SCHOOL	FAMILY BANK	86000009885	363	363
NG-CDF: N THERONE PRIMARY SCHOOL	FAMILY BANK	86000010175	590	580
NG-CDF: SPORTS COMMITTEE	FAMILY BANK	86000010178	2,827	2,827
NG-CDF: I GEMBE SOUTH DISABILTY OFFICES	FAMILY BANK	86000010182	256	256
NG-CDF: I GEMBE BOYS SECONDARY SCHOOL	FAMILY BANK	86000010368	86,648	86,638
NG-CDF OFFICE	FAMILY BANK	86000010597	205	205
NG-CDF:ANTUAMBUI PRIMARY SCHOOL	FAMILY BANK	86000011038	1,936	2,056
NG-CDF: AMUNGENTI PRIMARY SCHOOL	FAMILY BANK	86000011038	10,713	10,713
IGEMBE SOUTH KMTC	FAMILY BANK	86000011368	159,148	9,935,916

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
NG-CDF:IGEMBE SOUTH STORAGE TANK PROJECT	FAMILY BANK	86000011491	413	413
NG-CDF:THAICU MIXED DAY SEC SCHOOL	FAMILY BANK	86000011561	-	-
NG-CDF: KANUNI POLICE POST	FAMILY BANK	86000011924	92	92
NG-CDF:CHUKA UNIVERSITY IGEMBE CAMPUS	FAMILY BANK	86000012192	24,861	24,857
NG-CDF:TIIRA DRAINAGE AND CULVERTS PROJECT	FAMILY BANK	86000012201	650	650
NG-CDF: OFFICE DRAINAGE PROJECT	FAMILY BANK	86000012210	2,093	2,093
NG-CDF:KARUMARU PRIMARY SCHOOL	FAMILY BANK	86000012343	-	-
NG-CDF:ANTUBOCHIU PRIMARY SCHOOL	FAMILY BANK	86000012346	100	-
NG-CDF:NKIENE PRIMARY SCHOOL	FAMILY BANK	86000012348	208	207
NG-CDF:DISTRICT ACCOUNTANT IGEMBE SOUTH	FAMILY BANK	86000012568	878	878
NG-CDF: IGEMBE SOUTH OFFICE COMPOUND PROJECT.	FAMILY BANK	86000012585	1	1
NG-CDF: LULUMA PRIMARY SCHOOL	FAMILY BANK	86000009018	58,728	1,741,811
NG-CDF: ATHIMBA PRIMARY SCHOOL	FAMILY BANK	86000009019	146	146
NG-CDF: ATHI SPECIAL SCHOOL	FAMILY BANK	86000009029	2,981	92,373
NG-CDF: KATHIMA PRIMARY SCHOOL	FAMILY BANK	86000009082	1,187	1,187
MBOONE DAY SECONDARY SCHOOL	FAMILY BANK	86000009100	1,790	1,790
KIGUMA CIIRI PRIMARY SCHOOL	FAMILY BANK	86000009111	1,634	1,634
AMWAMBA PRIMARY SCHOOL	FAMILY BANK	86000009113	1,134	1,134
LAKATHI PRIMARY SCHOOL	FAMILY BANK	86000009117	1,512	1,512

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
AKACHIU EDUCATION OFFICE	FAMILY BANK	86000009118	1,171	1,171
ATHI CHIEFS OFFICE	FAMILY BANK	86000009134	283	283
NG-CDF: IEMBE SOUTH SPORTS PROJECT	FAMILY BANK	86000009149	2,471	2,471
NG-CDF: KINDANI SECONDARY SCHOOL	FAMILY BANK	86000009152	4,406	4,406
NG:CDF- AKACHIU DIVISION ACC OFFICE	FAMILY BANK	86000009158	283	283
NG-CDF IEMBE SOUTH DCC OFFICE	FAMILY BANK	86000009523	434	434
NG-CDF:KAREMBWINE PRIMARY SCHOOL	FAMILY BANK	86000009651	3,712	824
NG-CDF: MAUA PRIMARY SCHOOL	FAMILY BANK	86000009904	4,634	4,634
KIANDA PRIMARY SCHOOL	FAMILY BANK	86000009995	9,104	2,973
NG-CDF: ENVIRONMENT COMMITTEE	FAMILY BANK	86000010174	1,534	1,534
NG-CDF: GIIKA CHIEFS CAMP	FAMILY BANK	86000010687	634	634
NG-CDF: MUNYARIKI PRIMARY SCHOOL	FAMILY BANK	86000010691	756	756
KIGURU PRIMARY SCHOOL	FAMILY BANK	86000010749	1,000	1,000
MAUA-NG CDF OFFICE DRAINAGE	FAMILY BANK	86000011349	288	288
NG CDF:IEMBE SOUTH OFFICE CABRO PROJECT	FAMILY BANK	86000011482	116	116
NG-CDF:IEMBE SOUTH MAUA POLICE STATION	FAMILY BANK	86000011532	252	252
NG-CDF: AUKI PRIMARY SCHOOL	FAMILY BANK	86000013742	86,018	508,466
NG-CDF: ITUMI PRIMARY SCHOOL	FAMILY BANK	086000019910	69,315	-
NG-CDF MAUA CHIEFS OFFICE CONSTRUCTION	FAMILY BANK	86000019990	36,339	-

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
NG-CDF AKACHIU CHIEFS OFFICE CONSTRUCTION	FAMILY BANK	86000019828	64,797	-
NG-CDF ITUMI ASS. CHIEFS OFFICE CONSTRUCTION	FAMILY BANK	86000019986	32,961	-
NG-CDF THAICU ASS. CHIEFS OFFICE CONSTRUCTION	FAMILY BANK	86000019993	23,194	-
NG-CDF ANTUBAKIRU ASS. CHIEFS OFFICE CONSTRUCTION	FAMILY BANK	86000019893	121,251	2,000,000
NG-CDF KABULINE CHIEFS OFFICE CONSTRUCTION	FAMILY BANK	86000020010	53,561	-
NG-CDF KIEGOI PRIMARY SCHOOL	FAMILY BANK	86000019906	69,560	-
NG-CDF MAUA LAW COURTS	FAMILY BANK	86000019996	1,500,000	-
KITHETU PRIMARY SCHOOL	FAMILY BANK	86000013701	1	88,300
KITHETU PRIMARY SCHOOL NG-CDF PMC ACC.	FAMILY BANK	086000022386	-	-
KAMBENE PRIMARY SCHOOL NG-CDF PMC ACC.	FAMILY BANK	086000022383	-	-
LAKATHI PRIMARY SCHOOL NG-CDF PMC ACC.	FAMILY BANK	086000022384	-	-
ATHIMBA DAY SECONDARY SCHOOL NG-CDF PMC ACC.	FAMILY BANK	086000022393	-	-
NG-CDF AUKI PRIMARY SCHOOL IGEMBE SOUTH	FAMILY BANK	086000022307	-	-
NG-CDF KILILI PRIMARY SCHOOL	FAMILY BANK	086000022202	-	-
KIANDA PRIMARY SCHOOL	FAMILY BANK	086000022152	-	-
LULUMA DAY SECONDARY SCHOOL	FAMILY BANK		-	-
NTINGIRAI DAY SECONDARY SCHOOL	FAMILY BANK	086000022570	-	-
RIIGI ADMINISTRATION POLICE POST	FAMILY BANK	086000022561	-	-
IKNGO PRIMRY SCHOOL	KCB	1297844068		-

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
AUKI DAY SECONDARY SCHOOL	CO-OP BANK	1141024183600	1,089,656	2,272,251
UGOTI PRIMARY SCHOOL	CO-OP BANK	1109024660700	216,531	1,619,035
UGOTI DAY SECONDARY SCHOOL	CO-OP BANK	1109414808901	500,061	500,361
ATHIRU GAITI SECONDARY SCHOOL	CO-OP BANK	1109024655901	650,331	1,474,269
AKUI DAY SECONDARY SCHOOL	CO-OP BANK	1141414304100	63,700	-
KIGUMA CIIRI PRIMARY SCHOOL	CO-OP BANK	1141611235000	796	5,796
MURUMUNE PRIMARY SCHOOL	CO-OP BANK	1141612599600	468	-
IRIA RUUI PRIMARY SCHOOL	CO-OP BANK	1141611480300	1,386	-
ITUMBI PRIMARY SCHOOL	EQUITY BANK	400191448791		283
NG-CDF:ST RITAS GIRLS SECONDARY SCHOOL	ARIMI SACCO SOCIETY	691700600070	261,730	261,970
NG-CDF: KIEGOI DAY SECONDARY SCHOOL	ARIMI SACCO SOCIETY	691700600110	2,831	-
NG-CDF: RYENYA PRIMARY SCHOOL	ARIMI SACCO SOCIETY	691700600031	757	-
RIIGI PRIMARY SCHOOL	NATIONAL BANK	122403900900		3,956
Total			6,327,362	22,279,391

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.1 Presentation of Financial Statements	The National Sub-County Accountant did not indicate his institute of Certified Public Accountants of Kenya (ICPAK) membership number in the financial statements	All the errors and omissions have been amended apart from the ICPAK number of the Sub County Accountant.	Not Resolved	31.12.2023
1.2 Inaccurate Unutilized Funds Comparative Balance	The accuracy of the unutilized funds comparative balance amounting to Kshs. 60,143,168 could not be confirmed	Cognizant of the treasury circular on the opening balances and instances where those balances can be amended, as the most competent officer in Igembe South wish to state as follows; a)There was errors and omissions in the distribution of figures in the Note 17.3 Unutilized funds and Annex 3- Unutilized Funds, b)The errors affected the consolidated figure and the distribution therein. c)The errors affected disclosures and not the financial statements. d)If not corrected, the	Not Resolved	30.06.24

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>errors will affect the accuracy of the current financial statements. e)The unutilized fund as at 30/06/21 is sh 60,143,168 composed of Cash book opening balance sh 15,024,289, Funds pending approval sh 30,000 and Previous Years Undisbursed balances sh 45,088,879 and not sh 45,400,000 as presented in Note 17.3 and Annex 3 of 2020/2021 audited Fs</p>		
1.3 Unsupported Bursary Disbursements	The bursaries were not supported with vetting committee minutes and approved criteria for the selection and award of bursaries to the beneficiaries	<p>We have attached the revised copies of the financial statement for your verification.</p> <p>We have attached through email a soft copy of the list of the successful applicants for your verification.</p> <p>We have reconciled the observed variances in the supporting schedules, attached the bursary</p>	Partially Resolved	31.03.24

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		beneficiaries list and attached an updated record of bursary acknowledgement for your perusal.		
1.4 Unconfirmed Cash and Cash Equivalents	The accuracy of the cash and cash equivalents amounting to Kshs.5,768,891 could not be confirmed	We have attached a copy of the bank statement and a schedule of the unrepresented cheques with the dates they cleared for your verification	Not Resolved	31.03.24
1.5 Unsupported Project Management Committee (PMC) Account Balances	The amount in respect of the unspent projects funds by various Project Management Committees were not supported by the cashbooks and bank reconciliation	NG CDF projects are implemented by PMCs majorly of whom lack of the capacity to handle cash books and Bank reconciliation Statements affairs for the respective PMC accounts. The management commits to enhance continuous capacity building to the PMC in order to promote the requisite skills including the management of Cashbooks and Bank Reconciliation statements and others for effective and efficient projects implementation.	Not Resolved	31.12.23

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		We have also attached a copies of the Bank Certificates for the respective PMC statements for your verification		
Key Audit Matters Transfer to other Government Units				
1.1 Stalled Classroom at Kathambi Primary School	Stalled Classroom at Kathambi Primary School Kshs.600,000 transferred to Kathambi Primary School for construction of a classroom. However, physical verification done in March, 2022 established that the classroom had stalled despite the money having been transferred to the PMC bank account resulting in delayed benefits that would accrue from the project.	We commit to engage the Public Works Officer and the PMC to have the implementation of the project completed fast. The classroom has been completed and in use	Resolved	30.09.23
1.2. Construction of Administration Block at Antubuchui Secondary School	The Management spent Kshs.3,000,000 on the construction of an administration block at Antubochiu Secondary School. However, physical verification revealed poor workmanship as the ceiling was leaking and visible wall cracks were noted. Further, the contractor was not on site.	We commit to engage the Public Works Officer and the PMC to have the leaking roof and cracked walls redone by the contractor	Not Resolved	31.12.23

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.3.Unsupported Expenditure on Multi Purpose Hall at Kenya Medical Training College	Ksh 15,000,0000 transferred to KMTC for the construction of a multi-purpose Hall. Audit Review revealed that the contract signed on July ,22 did not detail the conditions of contract,commencement date,programme of works and liability period.The project was still at structure level yet the works was to be completed in twelve weeks.The balnce after payment to the contractor amounting to Ksh 1,727,862 has not been accounted for. Engineer estimate and PMCs work plan was not provided .The value for money was not achieved. Failure to open separate accounts for the 10,000,000 roads account.		Not Resolved	31.12.23
Other Grants and Other Transfers				
2.1 Delay in implementation of projects-Social Security Programmes	As at the time of the audit in March 2023, the project had not commenced. Further, the chairperson's report indicates that they had identified 50 beneficiaries from each electoral ward. However, during the time of the audit, the vulnerable families had not been covered.	We respond that the delay in implementation of the project is as a result of the rigorous process of identifying/vetting of the beneficiaries. Since the identification and vetting has already been completed we commit to expedite the project in order to benefit	Resolved	30.09.23

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>the residents and improve their quality of life</p> <p>The project has been implemented</p>		
<p>2.2.1 Construction of 10 Door Pit Latrines at Ugoti Primary School</p>	<p>The Management spent Kshs.620,000 for construction of a ten (10) door pit latrines at Ugoti Primary School. However, the following anomalies were observed during the physical verification;</p> <ul style="list-style-type: none"> a) Gapping of urinal floor with the wall as a result of poor hacking. b) Only one UPVC breather was fixed resulting to a non-hygienic environment at the school compound. c) PMC bank statements were not provided for audit review. <p>In the circumstances, the value for money for the expenditure of Kshs.620,000 could not be confirmed.</p>	<p>The retention money for the project has not been released and therefore the management will engage the Public works officer in order to have the defects corrected before the release of the same. We have also attached a copy of the BQ to support that the project was designed to have one UPVC. Also attached for your verification is a copy of the PMC statement for your verification.</p>	<p>Resolved</p>	<p>-</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
2.2.2 Construction of 10 Door Pit Latrines at Itumi Primary School	<p>The Management spent Kshs.1,620,000 for emergency construction of 10 door pit latrines at Itumi Primary School. However, the following anomalies were observed during the physical verification;</p> <p>a) The letter from the Department of Health was dated 24 September, 2019 informing the school to construct toilets within 21 days. It was not clear why this was done 3 years later.</p> <p>b) The Fund Management should have prioritized the projects to fall under normal funding as the Fund had never built any pit latrines for the school since the establishment of the current Constituency Development Fund Committee.</p>	We have attached the letter requesting for the prioritization of funds for the project. We shall also make follow up to ensure the project is in use.	Resolved	-
2.2.3 Construction of one classroom at Itumbi Primary School and delivery of 40 desks	The Management Spent Ksh 1,200,000 for the project. However the project was not labelled.	We have since labelled the project	Resolved	-
2.2.4 Construction of one at Auki Primary School classroom and	The Management Spent Ksh 1,200,000 for the project. However the project had poorly done floor and and not in use	The floor has since been done and the classroom is in use	Resolved	-

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
delivery of 40 desks				
2.3 Other Grants				
8.2.2 Maua Law Courts Project	<p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.80,013,014 in respect of other grants and transfers which includes Ksh.1,500,000 for other projects - Judiciary. Review of the records provided for audit revealed that the project was approved during the financial year 2020/2021 for the construction of two (2) ablution blocks of 5 doors pit latrines to completion at Maua law courts. The project activity has been changed twice with the final approved activity being the purchase and fabrication to user specifications of two 40 feet containers vide a letter from the Board dated 8 November, 2022. However, as at the time of the audit in March, 2023, the project had not commenced and the project bank statements reflect a balance of Kshs.1,500,000 contrary to Regulation 83(2) (c) of the Public Finance Management (National Government) Regulations, 2015 on sound cash management which states that for purposes of this regulation, sound cash</p>	<p>The PMC has placed another request for change of activity as attached. We have since forwarded the same request to the NG CDFB for approval after which we shall ensure followup to ensure a speedy implementation</p>	Not Resolved	31.12.2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>management includes avoiding accumulation of idle balance.</p> <p>Annex 4 to the financial statements reflects Kshs.30,981,702 in respect to historical costs of assets as at 30 June, 2022. However, the fixed assets were not insured contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee, shall be the property of the Board and shall be insured in the name of the Board.</p> <p>In the circumstances, the Fund Management was in breach of the law.</p>			
8.2.3 Failure to insure Fixed Assets	<p>Annex 4 to the financial statements reflects Kshs.30,981,702 in respect to historical costs of assets as at 30 June, 2022. However, the fixed assets were not insured contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency</p>	<p>With the logbook to GKB 621R readily available we commit to insure the same immediately.</p>	Resolved	30,07.23

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Committee, shall be the property of the Board and shall be insured in the name of the Board.</p> <p>In the circumstances, the Fund Management was in breach of the law.</p>			

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Name: Jese Mbutia
Fund Account Manager.