

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 AUG 2024	DAY: WED 7/8/2024
TABLED BY: Deputy Majority Whip	REPORT
CLERK AT THE TABLE: Anastacia Thumbi	



THE AUDITOR-GENERAL

ON

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

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



ISIOLO SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITTUENCIES 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)

*Isiolo 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

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

NGCDF-National Government Constituency Development Fund
PFM-Public Finance Management
IPSAS- International Public Sector Accounting Standards.
PMC-Project management committee
FY-Financial Year
ARMC-Audit and Risk Management Committee
FAM- Fund Account Manager.
AIE-Authority to Incur Expenditure
NG-CDFC –National Government Constituency Development Committee
NG-CDFB–National Government Constituency Development Board
NSCA- National Sub County Accountant.
ICPAK-Institute of Certified Public Accountant of Kenya
PLWD-People Living with Disability
CSR- Corporate Social Responsibility.
AIA- Appropriation in Aid
COC- Constituency Oversight Committee
ICT-Information Communication &Technology
PSASB-Public Sector Account Standards Board.

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

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

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	John Mwangi Chege
2.	Sub-County Accountant	Alfred Kioko
3.	Chairperson NGCDFC	Ali Ahmed Salim

(c) Fiduciary Oversight Arrangements

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

P.O. Box 987
NG CDF Building/House/Plaza
Garbatulla Avenue/Road/Highway
Isiolo, Kenya

(e) Isiolo South Constituency NGCDF Contacts

Telephone: (254) 722244776
E-mail: isiolosouth@ngcdf.go.ke
Website: www.isiolonorth.ngcdf.go.ke

(f) Isiolo South Constituency NGCDF Bankers

Consolidated Bank A\C no. 10111300000072
Isiolo Branch
P.O. Box 100-60300
ISILOLO

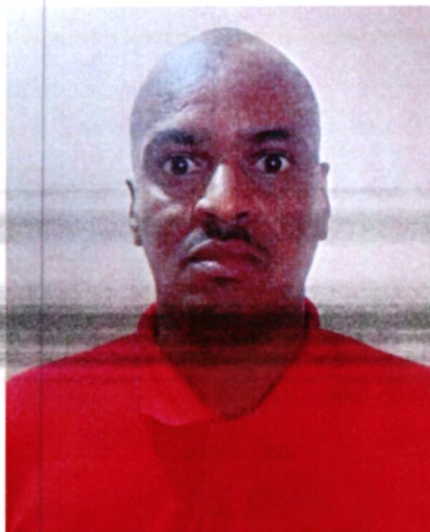
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



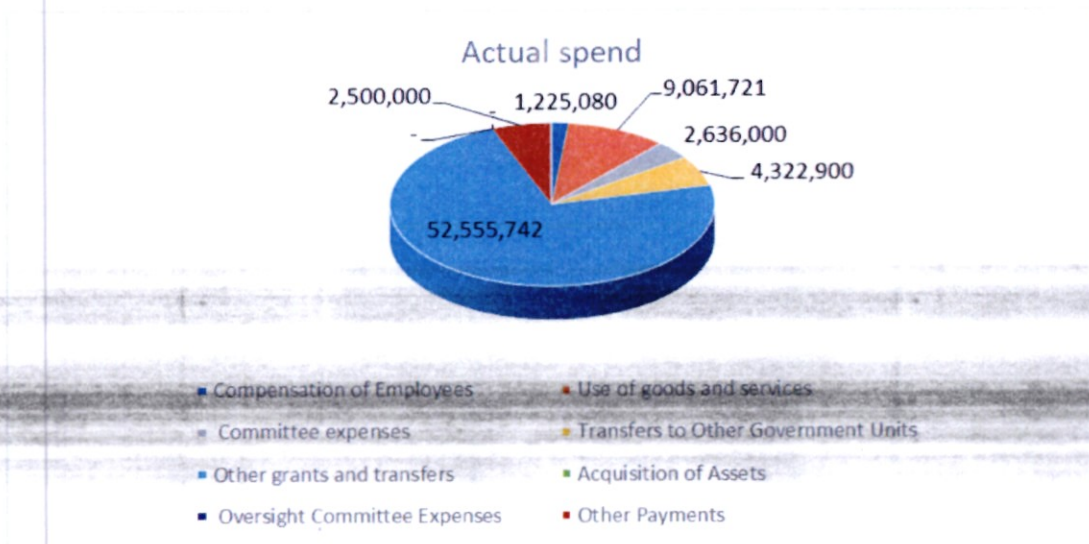
**NAME: ALI AHMED SALIM, CHAIRPERSON,
ISILO SOUTH NGCDF COMMITTEE**

Isiolo South Constituency is an electoral constituency in Kenya. It is one of two constituencies of Isiolo County. The constituency has nine wards, all electing councillors to the Isiolo County Council

The Isiolo South National Government Constituency Development Fund has had a successful year other than for a few challenges here and there. The organization was able to receive Kshs 87,000,000 as funding from the board during the financial year. Together with the balance brought forward of kshs.689,530 and kshs 12,600,000 being part of owing from the board for previous year. The organization had an actual funds available totalling to Kshs.100,289,530 out of which we successfully utilized Kshs.72,300,736 Which is a 72% utilization rate. Specifically, compensation of employees amounted to Kshs.1,225,080; use of goods and services amounted to Kshs.9,061,721; while Ksh. 2,636,000 was committee expenses, other grants and transfers amounted to Kshs. 52,555,741. As compared to the final budget, however, the utilization rate was 44% which is due to the funds that have not been received from the board and funds which were received late as the financial year came to an end.

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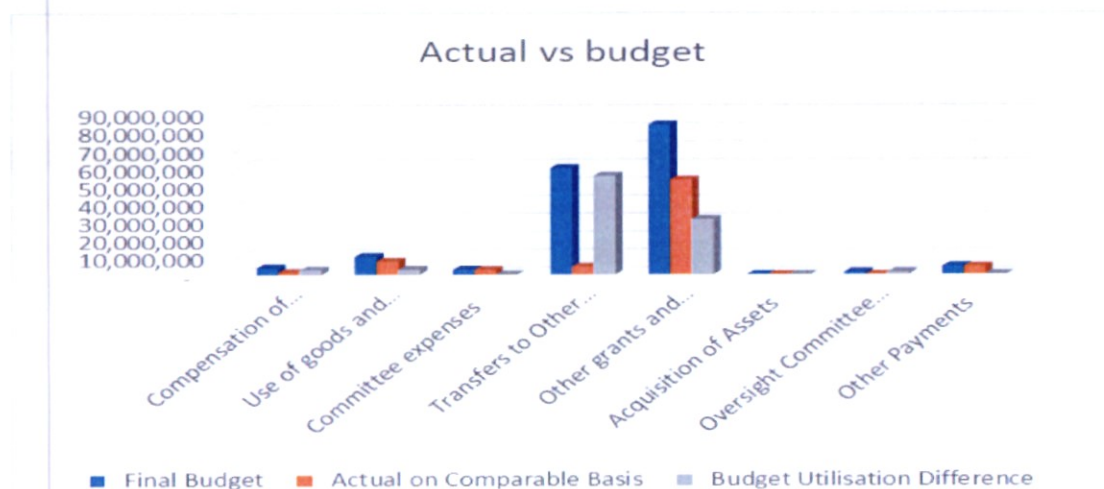
Below is a pie chart detailing actual spend per sector,



As shown from the above pie chart most of the received funds were utilized on other grants and transfers which included disbursement of bursaries to students, security projects and emergency projects, use of good and services, transfer to other government units such as transfer to primary schools, secondary schools and tertiary institutions then. Compensation of employees had the lowest actual expenditure as depicted in the above pie chart.

The fund was successful in that we were able to disburse bursary to needy students in the constituency. We were able to support infrastructural growth in primary and secondary schools as well as infrastructure for security offices.

Below is a chart detailing the Actual vs Final budget per sector



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As per the above graph other grants and transfers which included; bursary to secondary schools, bursary to tertiary institutions, bursary to special schools, security projects and emergency projects had the highest final budget, followed by transfers to other government units. Other payments had the lowest share in the final budget. During the financial year the constituency utilised more funds received on other grants and transfers especially bursary programmes to secondary, special and tertiary institutions as depicted in the graph above. Other expenditures during the financial year included; transfer to other government units, use of goods and services, compensation of employees. The utilization difference was very high for the transfer to other government units, followed by other grants and transfers due to the funds not disbursed to the constituency at the end of financial year. The utilization difference for the compensation of employees was lowest as depicted from the graph since the constituency had received most of the funds from the board.

Key achievements

As a constituency we made a progressive achievement by doing construction of classrooms in the constituency by allocating adequate funds for the projects. By doing so the face of the constituency will charge.

Also, on security projects we had set aside adequate funds to do security related projects.

On bursary disbursement as a constituency we did very well as we supported a good number of students un the leering institutions. whereby a total of ksh. 39,702,043 to funding bursary
Some of the best projects implemented during the year were:

- i. **Garbatulla Police AP:** Renovation of police post



The renovation of the police post in the area has enhanced the security in the area. With this project in the area the impact has been felt. But going forward we shall allocate some funds for the construction of a more equipped police post. With a police post in their area the security in the area has been enhanced.

II. Garbatulla Girls Secondary School: Construction of 2 classrooms block

Garbatulla girls Secondary School is located in Isiolo South constituency and has got a population of over 200 students that brought into consideration the need to do a construction of 2 classrooms to cater for more students' enrolment for the coming years. Also, the NG-CDF Isiolo South feels that the needs of the students had been taken care of and hence creating a more conducive learning environment for the students.

Below is a photo to support the progress of the projects in the school in respect to the PMC members that were in charge of the project from the grassroots to how it was completed.



Emerging issues

- One of the emerging issues was the CBC which requires more classrooms for junior secondary and construction of laboratories in the school. With the limited funds we request that the national treasury should set aside some more funds to do the necessary infrastructure.
- The other emerging issue is the bursary kit. With the government coming up with more regulations on Help Kit, the bursary kit has been over stressed in the recent financial year, hence need to at least increase its allocation from 35% to at least 45%.
- With the vote book management system, the office is able to control the spending hence eliminating the issue of overspending of votes. Hence utilization is based on allocated amounts as per the code list issued by the NGCDF Board.
- The amount allocated to projects on construction of classrooms and toilets need to be looked into given that it was not enough to do the full job.

Challenges,

-One of the main challenges that the constituency experienced during the implementation of projects during the financial year was the sudden increase in the cost of construction inputs such as cement and steel associated with the increase in fuel costs and general inflation in the economy. This was a challenge because the initial approved budget for projects could no longer suffice to implement projects as costs of inputs rose up. Going forward we are going to review the budgets of projects in line with the new costs for us to maintain the same project deliverables.

-The other challenge was on late disbursement of fund, as a constituency we received part of our large funds by almost the closure of the financial year. As per our statement we had Ksh: 92,329,429, this was as a result of the late disbursement of funds by the national treasury.

SOLUTIONS

-Going forward we recommend that once the projects are approved and the code list released likewise the fund should be realised to the constituency so as the projects are implemented on time. With that the value for money shall be felt.

-Due to a lot of unforeseen events as a constituency our take is that you look into the emergency kit such that you give priority to in a way that you increase amount set aside for emergency.



.....
Name: Ali Ahmed Salim
CHAIRPERSON, NGCDF COMMITTEE

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

Introduction

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

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

- a) To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.
- b) To support the creation of conducive environment that enhances peace, security, efficiency and effectiveness in public administration
- c) To empower and develop youth and special groups to reduce dependency by nurturing talents and sports
- d) To support building of capacity and capability for timely response and management of disaster risks

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:

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Sector	Objective	Outcome	Indicator	Performance
Education	To enhance accessibility to quality education for all by improving the learning environment through quality school infrastructure and bursaries for better performance.	Increased enrolment in primary schools and tertiary institutions. Better grades leading to improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary and tertiary institutions, number of schools and students. % increase in the number of students joining secondary schools and tertiary institutions. Number of bursary beneficiaries at all levels	In FY 2022/23 Isiolo South on education related activities we did allocate funds to educational projects but due to late funding we were able to do to completion the construction at Almani Girls Primary School and one secondary project of construction Garbatulla Girls Sec School with this we have enhanced enrolment of students to those institution. With release on the amounts from the board we foresee an improvement on student enrolment. In FY 2022/2023 through Bursary fund, we supported 4,478 students in secondary schools and 1,247 students in tertiary institutions and over 100 students in special schools
Security	To support the creation of conducive environment that enhances peace, security, efficiency and	Less crime in the area	Number of security projects completed e.g.	In FY 2022/23 we were able to do the following projects of which we gave them priority by

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	effectiveness in public administration		AP lines, chiefs' offices.	allocating funds to them, chiefs offices (4) construction of chief's office in the following -Boji Chiefs Office, - Garbatulla Chiefs Office and Sericho Chiefs Office -Kina South Chief Office and construction of police posts (4) Escot Police Station, -Garbatulla Police Line, Garbatulla Police Line, Belgesh Police Station and one ACC office Ass County Commissioner.
Sports	To empower and develop youth and special groups to reduce dependency by nurturing talents and sports	Nurture talents and support youths in the area	Number Sport activities and events organized and supporting football teams.	In FY 2022/23 we allocated funds for the Constituency sports activities organizing sports tournaments whereby the winning teams awarded with this sports kit. we look forward to supporting 20 football teams in the constituency at large in the coming year.
Emergency	To support building of capacity and capability for timely response and management of disaster risks	Better built projects with a greater impact	Number of completed projects in use	In FY 2022/23 supported emergency related activities in the constituency.

V. Governance Statement

Appointment of National Government Constituency Development Fund Committee

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
 - (a) The national government official responsible for co-ordination of national government functions;
 - (b) Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
 - (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
 - (d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - (e) Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - (g) One member co-opted by the Board in accordance with Regulations made by the Board.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.
- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.
- (10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.
- (11) 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.

The Process of Appointment

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To facilitate this, the selection panel is invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency.

Out of the total 15 applicants, the selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Isiolo South Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation
1.	Jarso Abduba Wario	Male (Adult)
2.	Hassan Ali Galgalo	Male (Youth)
3.	Zeituna Hassan Bure	Female (Adult)
4.	Amina Bidu Dida	Female (Youth)

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment
1.	Sharif Duba Kontama	Physical – Hand and feet impairment

Nominee of the constituency Office

S/N	Name	Category
1	Ali Ahmed Salim	Male representative
2	Nuria Hilowle Jattan	Female Representative

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

S/N	Name	Gender
1.	Abdullahi Dulocha	Female

Those who qualified their names were sent to the board for approval, upon approval they were gazetted on 16th December 2022 and resumed office by holding their first meeting on 22nd December 2022

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

1. Chairperson position -Mr. Ali Ahmed
2. Secretary position – Miss Amina Bidu Dida

During its first meeting, a Constituency Committee established two sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary sub committee
- ii. Complaints resolution committee.

The chairman and the secretary are members of both committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

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

Removal of NG-CDFC Members

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

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) physical or mental infirmity.

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

Roles and functions of the NG-CDFC Committee

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.

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

Induction, and training of Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Isiolo South.

Number of meetings held.

Isiolo South NGCDFC held meetings as per the Act, that requires members to hold at most 24 meetings. The members held 24 meeting which can be supported by written minutes in the NG-CDFC minute file.

Committee meetings attendance register 2022/2023													
No	Committee Member	16 th dec and 30 th dec 2022	4 th jan 2023 And 26 th jan 2023	31 st jan 2023 and 8 th feb 2023	22 nd feb 2023 and 28 th feb 2023	2 nd march 23 and 15 th march 23	30 th march 23 and 11 th march 23	26 th April 23 and 3 rd may 23	17 th may 23 and 30 th may 23	2 nd june 23 and 7 th june 23	12 th june 23 and 15 th june 223	19 th june 23 and 23 rd june 23	26 th june 23 and 30 th june 23
1	Ali Ahmed	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
2	Jarso Abduba	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
3	Nuria Hilowle	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓

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4	Abdullahi Dulocha	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
5	Amina Bidu	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
6	Stephen Nyakundi	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
7	Sharif Duba	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
8	Zeituna Hassan Bure	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
9	Hassan Abdi	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose Policy on Conflict of Interest

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

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality - the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.

ii. Honesty and integrity - NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.

iii. Leadership - NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Isiolo South adhered to the stipulated ethical issues

Risk Management

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

Some of the risk mitigation strategies that NGCDFC Isiolo South has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Isiolo 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 intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

NGCDF Isiolo South is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organisation has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices.

3. Employee welfare

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

Isiolo 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-

Isiolo 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.


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

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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.

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



**Name: John Mwangi Chege
Fund Account Manager.**

VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Isiolo 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, 2022. 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.

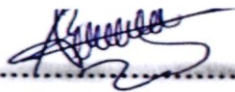
The Accounting Officer in charge of the NGCDF- Isiolo South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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- Isiolo 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.

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The Accounting Officer in charge of the NGCDF Isiolo 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 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- Isiolo South Constituency financial statements were approved and signed by the Accounting Officer on 20th September 2023.



Name: Ali Ahmed Salim
Chairman – NGCDF Committee



Name: John Mwangi Chege
Fund Account Manager

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ISIOLO 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 Control, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Isiolo South Constituency set out on pages 1 to 41, 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 National Government Constituencies Development Fund - Isiolo 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 Use of Goods and Services Expenditures

The statement of receipts and payments reflects an amount of Kshs.9,061,721 in respect to use of goods and services as disclosed in Note 6 to the financial statements. However, the amount includes Kshs.1,028,480 incurred on fuel, oil and lubricants which was not supported by fuel registers, motor vehicles work tickets, contract agreement and suppliers fuel statements. Further, the amount includes Kshs.1,085,500 on routine maintenance of motor vehicles out of which Kshs.700,500 was not supported by pre and post inspection reports, user requisitions, motor vehicle maintenance log books, delivery notes and pre-qualified lists of suppliers. In addition, the amount includes Kshs.3,471,441 which were not supported by payment vouchers and the supporting documents.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.9,061,721 could not be confirmed.

2. Unsupported Installation of Internet

The statement of receipts and payments reflects an amount of Kshs.2,500,000 in respect to other payments as disclosed in Note 10 to the financial statements. The amount relates to installation of internet at the Constituency offices but the expenditure was not supported by quotations, opening evaluation and award minutes, professional opinion, letters of offer and acceptance and contract agreements.

In the circumstances, the accuracy and completeness of the other payments amount of Kshs.2,500,000 could not be confirmed.

3. Unaccounted for Bursary Funds

The statement of receipts and payments reflects an amount of Kshs.52,555,742 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes bursary disbursements to secondary schools, tertiary institutions

and special schools totalling Kshs.39,702,043. However, review of payment vouchers and supporting documents revealed that an amount of Kshs.11,000,000 was not supported by official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy and completeness of bursary disbursements amount of Kshs.11,000,000 could not be confirmed.

4. Unsupported Project Management Committee Bank Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.132,074 which had not been returned to the Constituency account as at 30 June, 2023. Further, the cash books, bank reconciliation statements and certificates of bank balances for individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC balance of Kshs.132,074 could not be confirmed.

5. Inaccuracies in Fixed Assets

Annex 4 to the financial statements reflects fixed assets balance of Kshs.16,510,000. However, Information and Communications Technology (ICT) equipment, software and other ICT assets amounting to Kshs.2,500,000 procured during the year were not disclosed in the summary of fixed assets as at 30 June, 2023. Further, the balance includes Kshs.5,000,000 on building and structures located in an un-surveyed land which was not registered under the National Government Constituencies Development Fund Board. In addition, the assets were not insured and some were not tagged for ease of identification.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.16,510,000 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 - Isiolo South Constituency Management in accordance with the 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.164,630,871 and Kshs.100,289,530 respectively resulting to underfunding of Kshs.64,341,341 or 39% of the budget. However, the Fund spent Kshs.72,301,443 against actual receipts of Kshs.100,289,530 resulting to an under-utilization of Kshs.27,988,087 or 28% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report for the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Staff Recruitment

During the year under review, the Constituency Committee recruited ten (10) employees comprising of four (4) office assistants, two (2) ICT assistants, a security guard, a driver, an assistant accountant and a clerk of works. However, evidence of advertisement for the positions and staffs' personal files were not provided for audit. This was contrary to Section B.4(1) of the Human Resources Policies and Procedures Manual for the Public Service, May 2016.

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

2. Non-Compliance with Law on Budget Allocation to Bursaries

The statement of receipts and payments reflects an amount of Kshs.52,555,742 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes bursaries to secondary schools, tertiary institutions and special schools totalling Kshs.39,702,043 which accounted for only 24% of the approved budget of Kshs.164,630,871. This was contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall allocate not less than twenty-five percent (25%) of the funds to a Constituency for bursaries.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROL, 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 ISSAIs 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 control that are identified during the audit

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 June, 2024

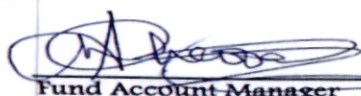
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IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023

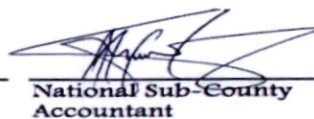
	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	99,600,000	157,488,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		99,600,000	157,488,879
Payments			
Compensation Of Employees	4	1,225,080	3,120,031
Committee expenses	5	2,636,000	-
Use Of Goods and Services	6	9,061,721	13,228,162
Transfers To Other Government Units	7	4,322,900	71,206,388
Other Grants and Transfers	8	52,555,742	96,872,488
Acquisition Of Assets	9	-	-
Other Payments	10	2,500,000	-
Total Payments		72,301,443	184,427,069
Surplus/(Deficit)		27,298,557	(26,938,190)

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 20th September 2023 and signed by:


Fund Account Manager

Name: John Mwangi Chege


National Sub-County
Accountant

Name: Alfred kioko
ICPAK M/No: 6456


Chairman NG-CDF
Committee

Name: Ali Ahmed Salim

Isiolo South Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	27,988,087	689,530
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		27,988,087	689,530
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		27,988,087	689,530
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13A	-	-
Gratuity	13B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		27,988,087	689,530
Represented By			
Fund Balance B/Fwd.	14	689,530	21,667,690
Prior Year Adjustments	15	-	5,960,030
Surplus/Deficit for The Year		27,298,557	(26,938,190)
Net Financial Position		27,988,087	689,530

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 20th September 2023 and signed by:


Fund Account Manager

Name: John Mwangi Chege


National Sub-County
Accountant

Name: Alfred Kioko
ICPAK M/No: 6456


Chairman NG-CDF
Committee

Name: Ali Ahmed Salim

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

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

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	99,600,000	157,488,879
Other Receipts	3	-	-
Total Receipts		99,600,000	157,488,879
Payments			
Compensation Of Employees	4	1,225,080	3,120,031
Committee Expenses	5	2,636,000	-
Use Of Goods and Services	6	9,061,721	13,228,162
Transfers To Other Government Units	7	4,322,900	71,206,388
Other Grants and Transfers	8	52,555,742	96,872,488
Other Payments	10	2,500,000	-
Total Payments		72,301,443	184,427,069
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	15	-	5,960,030
Decrease/(Increase) In Accounts Receivable	16	-	-
Increase/(Decrease) In Accounts Payable	17	-	-
Net Cash Flow from Operating Activities		27,298,557	(20,978,160)
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		27,298,557	(20,978,160)
Cash & Cash Equivalent At Start Of The Year	11	689,529	21,667,690
Cash & Cash Equivalent At End Of The Year	11	27,988,087	689,529

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 20th September 2023 and signed by:


Fund Account Manager

Name: John Mwangi Chege


National Sub-County Accountant

Name: Alfred Kioko
ICPAK M/No: 6456


Chairman NG-CDF Committee

Name: Ali Ahmed Salim

Isiolo South Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	FY 2022-23	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2022-23	FY 2022-23		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers from NG-CDF Board	131,342,462	689,530	32,598,879	164,630,871	100,289,530	64,341,341	61%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
TOTAL RECEIPTS	131,342,462	689,530	32,598,879	164,630,871	100,289,530	64,341,341	61%
PAYMENTS							
Compensation of Employees	3,493,440	34,510	274,840	3,802,790	1,225,080	2,577,710	32%
Use of goods and services	5,642,590	-	6,356,059	11,998,649	9,061,721	2,936,928	76%
Committee expenses	2,684,792	-	89,684	2,774,476	2,636,000	138,476	95%
Transfers to Other Government Units	35,250,000	-	23,900,000	59,150,000	4,322,900	54,827,100	7%
Other grants and transfers	80,958,216	655,020	1,478,296	83,091,531	52,555,742	30,535,790	63%
Acquisition of Assets	-	-	-	-	-	-	-
Oversight Committee Expenses	1,313,425	-	-	1,313,425	-	1,313,425	0%
Other Payments	2,000,000	-	500,000	2,500,000	2,500,000	-	100%
TOTAL	131,342,462	689,530	32,598,879	164,630,871	72,301,443	92,329,429	44%

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Explanatory Notes

- (a) Compensation of employees was utilized at 32% being below the budget margin, this was as a result of late engagement of the staff as those from the previous government, their contract came to an end and the procedure of engaging new staff had a procedure that needed to be followed, and given that there was a delay on fund disbursement it was hard to engage them early. Resulting to underutilization of the fund.
- (b) Use of goods and services was utilized at 76% showing somehow good utilization even though it falls below the margin of 90% that was largely as a result of late disbursement of funds by the national government.
- (c) Transfers to Other Government Units had a utilization of 7%. This was largely as a result of late disbursement of funds by the national government, as this kit largely comprises of projects to both secondary and primary school. Hence a utilization of below the budget margin.
- (d) Oversight Committee Expenses, kit had a utilization of 0%, this was as a result of late disbursement of funds, resulting to late implementation of projects

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	92,329,429
Less undisbursed funds receivable from the Board as at 30 th June 2023	64,341,341
	27,988,088
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	27,988,088

The Constituency financial statements were approved by NG CDFC on 20th September 2023 and signed by:


Fund Account Manager
Name: John Mwangi Chege


National Sub-County Accountant
Name: Alfred Kioko
ICPAK M/No: 6456


Chairman NG-CDF Committee
Name: Ali Ahmed Salim

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,493,440	34,510	274,840	3,802,790	1,225,080	2,577,710
1.2 Committee allowances	1,532,000	-	3,000	1,535,000	1,533,000	2,000
1.3 Use of goods and services	2,855,108	-	57,500	2,912,608	2,836,780	75,828
2.0 Monitoring and evaluation						
2.1 Committee allowances	1,152,792	-	86,684	1,239,476	1,103,000	136,476
2.2 Use of goods and services	4,787,482	-	4,298,559	9,086,041	6,224,941	2,861,100
3.0 Emergency						
3.1 Emergency Reserve	7,636,190	-	-	7,636,190	7,600,000	36,190
3.2 Unutilized	-	-	207	207	-	207
4.0 Bursary and Social Security						
4.1 Primary Schools	19,256,155	650,008	7,093	19,913,256	19,846,342	66,914
4.2 Secondary Schools	18,812,172	5,012	70,996	18,888,180	18,855,701	32,479
4.3 Tertiary Institutions	1,000,000	-	-	1,000,000	1,000,000	-
4.4 Universities	4,200,000	-	-	4,200,000	-	4,200,000
5.0 Sports						

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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			
5.1 Constituency Sports Activities	2,326,849	-	-	2,326,849	2,326,849	-
5.2 Regional Sports in the Region.	300,000	-	-	300,000	300,000	-
6.0 Environment						
6.1.1 Assistant County Commissioners Kiina Office	105,400	-	-	105,400	105,400	-
6.1.2 Assistant County Commissioners Office Sericho	105,400	-	-	105,400	105,400	-
6.1.3 Boji Primary School	350,000	-	-	350,000	350,000	-
6.1.4 Deputy County Commissioners Compound	105,300	-	-	105,300	105,300	-
6.1.5 Dida Abakiri Primary School	350,000	-	-	350,000	350,000	-
6.1.6 Eldera Assistant County Commissioners Office	105,449	-	-	105,449	105,449	-
6.1.7 Iresaboru Primary School	350,000	-	-	350,000	350,000	-
6.1.8 Isiolo South NG-CDF Office	105,300	-	-	105,300	105,300	-
6.1.9 Kombola Primary School	350,000	-	-	350,000	350,000	-
6.1.10 Nagaa Primary School	350,000	-	-	350,000	350,000	-
6.1.11 Sericho Primary School	350,000	-	-	350,000	350,000	-
7.0 Primary Schools Projects (List all the Projects)						
7.1.1 Algani Girls Primary School	500,000	-	-	500,000	500,000	-
7.1.2 Biliqinur Secondary School	2,000,000	-	-	2,000,000	-	2,000,000

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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			
7.1.3 Boji Primary School	2,000,000	-	-	2,000,000	-	2,000,000
7.1.4 Duse Primary School	1,200,000	-	1,200,000	2,400,000	-	2,400,000
7.1.5 Garbatulla Boarding Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.1.6 Kinna Secondary School	6,000,000	-	3,500,000	9,500,000	-	9,500,000
7.1.7 Malkamansa Primary School	1,200,000	-	1,400,000	2,600,000	-	2,600,000
7.1.8 Markaz Public Boarding Primary School	7,000,000	-	-	7,000,000	1,822,900	5,177,100
7.1.9 Muchuro Primary School	1,200,000	-	2,400,000	3,600,000	-	3,600,000
7.1.10 Omara Primary School	2,000,000	-	1,800,000	3,800,000	-	3,800,000
7.1.11 Wako Wario Primary School	500,000	-	-	500,000	-	500,000
7.1.12 YAQ Barsadhi Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.1.13 Abagarse Primary School	-	-	2,400,000	2,400,000	-	2,400,000
7.1.14 Yagbarsadi Primary School	-	-	2,400,000	2,400,000	-	2,400,000
7.1.15 Sericho Primary School	-	-	1,400,000	1,400,000	-	1,400,000
7.1.16 Rapsu Primary School	-	-	1,400,000	1,400,000	-	1,400,000
7.1.17 Badana Primary School	-	-	1,000,000	1,000,000	-	1,000,000
7.1.18 Qoticha Primary School	-	-	1,000,000	1,000,000	-	1,000,000
8.0 Secondary Schools Projects (List all the Projects)						

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/B) and AIA			
		Previous Years' Outstanding Disbursements			
8.1.1 Sericho Secondary School	5,950,000	-	5,950,000	-	5,950,000
8.1.2 Gafarsa Day Secondary School	3,500,000	-	3,500,000	-	3,500,000
8.1.3 Biliqi Nur Sec School	-	-	2,000,000	-	2,000,000
8.1.4 Garbatulla Girls Sec School	-	-	2,000,000	2,000,000	-
9.0 Tertiary Institutions Projects (List all the Projects)					
10.0 Security Projects					
10.1.1 Baji Chiefs Office	2,300,000	-	2,300,000	-	2,300,000
10.1.2 Escot Police Station	10,000,000	-	10,000,000	-	10,000,000
10.1.3 Garbatulla Chiefs Office	2,300,000	-	2,300,000	-	2,300,000
10.1.4 Garbatulla Police Line	7,900,000	-	7,900,000	-	7,900,000
10.1.5 Garbatulla Police Line	2,000,000	-	2,000,000	-	2,000,000
10.1.6 Kina South Chief Office	300,000	-	300,000	-	300,000
10.1.7 Belgesh Police Station	-	-	600,000	-	600,000
10.1.8 Ass County Comm	-	-	300,000	-	300,000
10.1.9 Sericho Chiefs Office	-	-	500,000	-	500,000
11.0 Acquisition of assets					
12.0 Others (strategic plan and internet installation)					
12.1.1 Istolo South NG-CDF Strategic Plan					

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.1.2NGCDF OFFICES: installation of internet	-	-	2,500,000	2,500,000	2,500,000	-
13.0 Oversight Committee Expenses						
13.1.1 Accommodation Expenses	240,000	-	-	240,000	-	240,000
13.1.2 Catering Services	80,000	-	-	80,000	-	80,000
13.1.3 COC Members Allowance	300,000	-	-	300,000	-	300,000
13.1.4 Daily Subsistence Allowance	165,000	-	-	165,000	-	165,000
13.1.5 Domestic Travel	180,000	-	-	180,000	-	180,000
13.1.6 Other Committee Expenses	173,425	-	-	173,425	-	173,425
13.1.7 Remuneration of Instructors and Contract Based Service	75,000	-	-	75,000	-	75,000
13.1.8 Training	100,000	-	-	100,000	-	100,000
Total	131,342,462	689,530	32,598,879	164,630,871	72,301,443	92,329,429

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF- Isiolo 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.

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	FY 2022-2023	FY 2021-2022
NGCDF Board	Kshs	Kshs
AIE NO B140899		33,000,000
AIE NO B105443		44,000,000
AIE NO B105775		22,000,000
AIE NO B128511		5,000,000
AIE NO B128822		12,000,000
AIE NO B140550		12,000,000
AIE NO B164463		19,000,000
AIE NO B155823		10,488,879
AIE NO B888546	12,600,000	
AIE NO B185070	7,000,000	
AIE NO B185344	6,000,000	
AIE NO B206103	5,000,000	
AIE NO B185609	15,000,000	
AIE NO B205583	12,000,000	
AIE NO B205742	12,000,000	
AIE NO B207867	15,000,000	
AIE NO B207501	15,000,000	
TOTAL	99,600,000	157,488,879

2. Proceeds From Sale of Assets

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

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3. Other Receipts

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

4. Compensation Of Employees

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	824,140	2,214,001
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	329,220	767,250
Employer Contributions Compulsory national social security schemes	71,720	138,780
Total	1,225,080	3,120,031

5. Committee Expenses

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
Sitting allowance	1,248,000	-
Other committee expenses	1,388,000	-
Total	2,636,000	-

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6. Use of Goods and services

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	163,900	-
Communication, supplies and services	628,400	-
Domestic travel and subsistence	784,100	510,000
Printing, advertising and information supplies & services	396,000	408,000
Rentals of produced assets	-	312,850
Training expenses	1,359,341	2,235,000
Hospitality supplies and services	1,728,000	-
Insurance costs	400,000	-
Other committee expenses	-	900,000
Committee allowance	-	3,082,000
Specialized materials and services	-	-
Office and general supplies and services	740,500	1,061,500
Fuel, oil & lubricants	1,028,480	2,960,000
Other operating expenses	647,500	-
Bank Charges	100,000	-
Routine maintenance – vehicles and other transport equipment	1,085,500	1,758,812
Routine maintenance – other assets	-	-
Total	9,061,721	13,228,162

7. Transfer To Other Government Units

Description	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	2,322,900	27,900,000
Transfers To Secondary Schools (See Attached List)	2,000,000	43,306,388
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	4,322,900	71,206,388

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Notes To The Financial Statements (Continued)

8. Other Grants and Other transfers

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
Bursary – secondary schools (see attached list)	19,846,342	17,170,943.60
Bursary – tertiary institutions (see attached list)	18,855,701	35,067,767
Bursary – special schools (see attached list)	1,000,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	35,200,000
Sports projects (see attached list)	2,626,849	2,241,778.59
Environment projects (see attached list)	2,626,849	-
Emergency projects (see attached list)	7,600,000	7,192,000
Roads projects (see attached list)	-	-
Total	52,555,742	96,872,488.19

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

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

10. Other Payments

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	2,500,000	-
Total	2,500,000	-

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11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Consolidated Bank, Isiolo Branch. Isiolo South NG-CDF A/C no.10111200000072	27,988,087	689,530
Total	27,988,087	689,530
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

12. Outstanding Imprests

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

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Notes to the Financial Statement Continued

13. Retention and Gratuity

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

13 B. Gratuity	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	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	-	-

14. Fund Balance B/F

	<i>(1st July 2022-1)</i>	<i>(1st July 2021-2)</i>
	Kshs	Kshs
Bank accounts	689,530	21,667,690
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	689,530	21,667,690

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15. Prior Year Adjustments

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

16.Changes In Accounts Receivable – Outstanding Imprests

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

17.Changes In Accounts Payable – Deposits and Retentions

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	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)

18. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
Compensation of employees	2,577,710	(20,031)
Committee expense	138,476	-
Use of goods and services	2,936,928	4,704,630
Amounts due to other Government entities (see attached list)	54,827,100	
Amounts due to other grants and other transfers (see attached list)	30,535,790	22,643,779.86
Acquisition of assets	-	-
Oversight Committee Expenses	1,313,425	-
Other Payments (<i>specify</i>)	-	-
Funds pending approval	-	-
Total	92,329,429	27,328,378.86

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19.4: PMC account balances (See Annex 5)

	<i>FY 2022-2023</i>	<i>FY 2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	132,074	2,501,938.85
Total	132,074	2,501,938.85

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
1.0 Administration and Recurrent				
1.1 Compensation of employees	Fund for compensation of employees	2,577,710	-20,031	waiting for disbursements from the board hence resulting to the balances
1.2 Committee allowances	Funds for committee allowances	2,000	-	funds disbursed from the board awaiting utilization
1.3 Use of goods and services	Funds for use of goods and services	75,828	-	funds disbursed from the board awaiting utilization
Total		2,655,538	-20,031	
2.0 Monitoring and evaluation				
2.1 Capacity building				
2.2 Committee allowances	Funds for committee allowances and expenses	136,476	-	funds disbursed from the board awaiting utilization
2.3 Use of goods and services	Funds for use of goods and services	2,861,100	4,704,630	funds disbursed from the board awaiting utilization
Total		2,997,576	4,704,630	
3.0 Emergency				
Emergency Reserve	being funding for emergency kit	36,190	-	funds disbursed from the board awaiting utilization

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Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
				on emergency related cases
Unutilised	being funding for emergency kit	207	207	funds disbursed from the board awaiting utilization on emergency related cases
Total		36,397	207	
4.0 Bursary and Social Security				
4.1 Secondary Schools	bursary for needy students	66,914	-	funds disbursed from the board awaiting utilization on needy students' cases
4.2 Tertiary Institutions	bursary for needy students	32,479	-2,656,427	funds disbursed from the board awaiting utilization on needy students' cases
4.3 Special Needs				
4.4 Social Security	Provision of annual medical insurance cover for 700 persons @ 6000 per person vulnerable families including Orphans and Vulnerable Children (OVCs), poor older persons, Persons with Disabilities (PWDs) and destitute families in partnership with NHIF as shall be identified within the Constituency.	4,200,000	-	waiting for disbursements from the board
Total		4,299,393	-2,656,427	
7.0 Primary Schools Projects				
Biliqinur Secondary School	construction to completion of 4 blocks pit	2,000,000	-	waiting for

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Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
	latrines 2 doors each @ Kshs 500,000 per block with a provision for 2 doors for Persons with disability			disbursements from the board
Boji Primary School	Renovation to completion of 8 classrooms @kshs 250,000 per classroom flooring, fixing of windows and doors, reroofing and painting.	2,000,000	-	waiting for disbursements from the board
Duse Primary School	Construction to completion of one classroom	2,400,000	1,200,000	waiting for disbursements from the board
Garbatulla Boarding Primary School	Renovation to completion of four classroom for flooring, fixing of windows and doors, reroofing and painting.	1,000,000	-	waiting for disbursements from the board
Kinna Secondary School	Fencing to completion of the school compound 3,233.33 metres using chain link, barbed wire and concrete posts at Kshs.3,880,000 and installation of a metal gate with concrete columns @Kshs 120,000 and construction to completion of two roomed staff house @kshs 2,000,000	9,500,000	3,500,000	waiting for disbursements from the board
Malkamansa Primary School	Construction to completion of one classroom	2,600,000	1,400,000	waiting for disbursements from the board
Markaz Public Boarding Primary School	Construction to completion of a dormitory with a capacity of 90 pupils	5,177,100	-	waiting for disbursements from the board
Muchuro Primary School	Construction to completion of one classroom	3,600,000	2,400,000	waiting for disbursements from the board
Omara Primary School	Fencing to completion of the school compound 1,566.67metres using chain link, barbed wire and concrete posts at Kshs.1,880,000 and installation of metal gate with concrete columns @ 120,000	3,800,000	1,800,000	waiting for disbursements from the board

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Name	Brief Transaction Description	Outstandin g Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
Wako Wario Primary School	Renovation to completion of two classrooms flooring, fixing of windows and doors, reroofing and painting.	500,000	-	waiting for disbursements from the board
YAQ Barsadhi Primary School	Construction to completion of one classroom	1,200,000	-	waiting for disbursements from the board
Abagarse Primary School	Construction to completion of 2 classrooms	2,400,000	2,400,000	waiting for disbursements from the board
Yaqbarsadi Primary School	Construction to completion of 2 classrooms	2,400,000	2,400,000	waiting for disbursements from the board
Sericho Primary School	Construction to completion of one classroom	1,400,000	1,400,000	waiting for disbursements from the board
Rapsu Primary School	Construction to completion of one classroom	1,400,000	1,400,000	waiting for disbursements from the board
Badana Primary School	Construction to completion of one classroom	1,000,000	1,000,000	waiting for disbursements from the board
Qoticha Primary School	Construction to completion of one classroom	1,000,000	1,000,000	waiting for disbursements from the board
Total		43,377,100	19,900,000	
8.0 Secondary Schools Projects				
Sericho Secondary School	Purchase and delivery of 90 double decker beds amounting to kshs 1,350,000, Construction to completion of staff quarters 2 houses @ ksh 2,400,000 and Fencing to completion the school compound 1,733.33 metres using chain link, barbed wire and concrete posts at	5,950,000	-	waiting for disbursements from the board

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Name	Brief Transaction Description	Outstandin g Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
	Kshs.2,080,000 and installation of a metal gate with concrete columns@ 120,000			
Gafarsa Day Secondary School	Extra funds for phase 3 water pump @ kshs 2,000,000 solar installation @Kshs 1,000,000 and pipping 800 meters from the borehole to the school administration block and classes @ Kshs.500,000 (First Borehole drilled and collapsed at 250Mtrs, 2nd drilling	3,500,000	-	waiting for disbursements from the board
Biliqi Nur Sec Sch	projects waiting for funding	2,000,000	2,000,000	waiting for disbursements from the board
Garbatulla Girls Sec Sch		-	2,000,000	fully utilized
Total		11,450,000	4,000,000	
10.0 Security Projects				
Boji Chiefs Office	Construction to completion of 2 roomed Chiefs office @ kshs 2,000,000 and purchase of 2 Executive desk each @ Kshs.25,000 (Kshs.50,000), 3 Office desks each @Kshs.15,000 (Kshs.45,000), 2 executive chairs each @ Kshs.7500 (Kshs.15,000), 14 ordinary office chairs each @ Kshs.5000 (Kshs.70,000), 1 boardroom table @ Kshs.30,000, 8 boardroom chairs each @ Kshs.4500 (Kshs.36,000) and 72 plastic chairs each @ Kshs.750 (Kshs.54,000)	2,300,000	-	waiting for disbursements from the board
Escot Police Station	Construction of police lines (2 One bedroomed houses) - 48M^2 @ 5,040,000, police cells 2 units one for female and another for male complete with toilet and bathroom, guard room and a porch - 48M^2 @ kshs 1,680,000, Police Offices 1 unit 2 rooms comprising of armoury and a porch - 48M^2	10,000,000	-	

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Name	Brief Transaction Description	Outstandin g Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
	<p>@ ksh 1,680,000, construction to completion of 1 blocks pit latrines 2 doors @ Kshs 500,000 with a provision for 1 door for Persons with disability and construction of two bathrooms @ ksh 400,000, Purchase of water tank @kshs 150,000 and construction of a concrete base @kshs 50,000 and installation of a solar power system @ kshs 500,000 (Find attached drawings)</p>			
Garbatulla Chiefs Office	<p>Construction to completion of 2 roomed Chiefs office @kshs 2,000,000 and purchase of 2 Executive desk @ 25,000 (50,000), 3 Office desks @15,000 (45,000), 2 executives chairs @7500 (15,000), 14 ordinary office chairs @ 5000 (70,000), 1 boardroom table @30,000, 15 boardroom chairs @4500 (90,000)</p>	2,300,000	-	waiting for disbursements from the board
Garbatulla Police Line	<p>Construction to completion of 2 blocks with 4 door each Ventilated Improved Pit Latrine @ Kshs.1,000,000 per block(Kshs.2,000,000)and one per block for Persons With Disability @ Kshs.700,000 will be bigger in size with enhanced railings , construction of four bathrooms @ ksh.800,000, purchase of water tank 10,000 litres @ kshs.150,000, construction of water tank concrete base @ Kshs.50,000, 200 cubic posts at Kshs.1,080,000 and installation of metal gate with concrete columns @ 120,000 meters septic tank @ kshs 3,000,000, Fencing to completion of the compound 900 metres using chain link, barbed wire and concrete</p>	7,900,000	-	waiting for disbursements from the board

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Name	Brief Transaction Description	Outstandin g Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
Garbatulla Police Line	Purchase of 14 Executive desk each @ Kshs.25,000 (Kshs.350,000), 14 Office desks each @ Kshs.15,000 (Kshs.210,000), 14 executive chairs each @ Kshs.7500 (shs.105,000), 53 ordinary office chairs each @ Kshs.5000 (Kshs.265,000), 6 boardroom table each @ Kshs.30,000 (Kshs.180,000), 70 boardroom chairs each @ Kshs.4500 (Kshs.315,000) and 21 office metallic cabinets each @ Kshs.25,000 (Kshs.525,000) purchase and Installation of a 48 TV set at Kshs.50,000	2,000,000	-	waiting for disbursements from the board
Kina South Chief Office	Purchase of 2 Executive desk each @ Kshs.25,000 (Kshs.50,000), 3 Office desks each @ Kshs.15,000 (Kshs.45,000), 2 executive chairs each @ Kshs.7500 (Kshs.15,000), 14 ordinary office chairs each @ Kshs.5000 (Kshs.70,000), 1 boardroom table @ Kshs.30,000, 8 boardroom chairs each	300,000	-	waiting for disbursements from the board
Belgesh Police Station	projects waiting disbursements	600,000	600,000	
Ass County Comm	projects waiting disbursements	300,000	300,000	waiting for disbursements from the board
Sericho Chiefs Office	projects waiting disbursements	500,000	500,000	waiting for disbursements from the board
Total		26,200,000	1,400,000	
12.0 Oversight Committee Expenses				
Accommodation Expenses	Payment for Accommodation Expenses	240,000	-	waiting for disbursements from the board

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Name	Brief Transaction Description	Outstandin g Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
Catering Services	Payment for Catering Services	80,000	-	waiting for disbursements from the board
COC Members Allowance	Payment of the committee Allowances	300,000	-	waiting for disbursements from the board
Daily Subsistence Allowance	Daily Subsistence Allowance	165,000	-	waiting for disbursements from the board
Domestic Travel	Domestic Travel	180,000	-	waiting for disbursements from the board
Other Committee Expenses	Payment of Other Committee Expenses	173,425	-	waiting for disbursements from the board
Remuneration of Instructors and Contract Based Service	Payment for Remuneration of Instructors and Contract Based service	75,000	-	waiting for disbursements from the board
Training	Payment for Hire of training facilities and equipment	100,000	-	waiting for disbursements from the board
Total		1,313,425	-	
13.0 Other payments		-	-	
GRAND TOTALS		92,329,429	27,328,379	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	5,000,000	-	-	5,000,000
Transport equipment	10,000,000	-	-	10,000,000
Office equipment, furniture and fittings	10,000	-	-	10,000
ICT Equipment, Software and Other ICT Assets	1,500,000	-	-	1,500,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	16,510,000	-	-	16,510,000

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

PMC	Bank	Account number	Bank Balance FY 2022/23	Bank Balance FY 2021/22
KMTC Isiolo	Consolidated Bank	10111300100513	1,581	145,581.05
Isiolo South Sports PMC	Consolidated Bank	10111300100449	13,639	13,638.50
Malkansa Primary PMC	Consolidated Bank	10111300100445	12,392	12,392
Nagaa Primary School	Consolidated Bank	10111301000226	5,985	28,735
Isiolo South Environment	Consolidated Bank	10111203000224	87,530	67,530
Isiolo South NG-CDF Pri Furniture	Consolidated Bank	10111203000209	8,947	92,084.40
DC's Office Compound	Consolidated Bank	10111203000223	1,000	2,129,880
NG-CDF Office	Consolidated Bank	10111203000312	1,000	12,030
Kombola Primary	Consolidated Bank	10111301000214	0	67.90
Total			132,074	2,501,938.85

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/UER/AUD/NG-CDF/ISIOLO SOUTH 2021/22(26)	<p>Unutilized Funds: The statement of receipts and payments, and as disclosed in Note 6 to the financial statements reflects a balance of Kshs.71,206,388 in respect to transfer to other government units. However, despite the management of National Government Constituency Development Fund disbursing funds to respective project management committees (PMCs), the projects with a total budget of Kshs.27,328,172 were not implemented during the year under review.</p> <p>In the circumstance, Management should put in place proper mechanisms to ensure implementation of all planned and funded projects.</p>	After the audit the management has put in place proper mechanisms to ensure implementation of all planned and funded projects	Not Resolved	30/6/2024
OAG/UER/AUD/NG-CDF/ISIOLO SOUTH 2021/22(26)	Unaccounted for bursary funds: the statement of receipts and payments and as disclosed in Note 7 to the financial statement reflects ksh.96,872,422 in respect to other	After the audit the management has minutes of bursary committee detailing how the bursaries were awarded for review.	Not Resolved	30/6/2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>grants and transfers which includes bursaries amounting to kshs. 17,170,943 disbursed to various secondary school and kshs. 35,067,767 to tertiary institutions all totalling to kshs. 52,238,710 for the benefit of needy students. However, the minutes of bursary committee detailing how the bursaries were awarded were not provided for audit review. Further, examination of payment vouchers and supporting documents revealed that disbursements totalling to kshs. 13,923,770 were not acknowledged through official receipts or acknowledgement letters.</p>	<p>And on acknowledged through official receipts or acknowledgement letters has the office we have come to realise that with the system of parents collecting the cheques from the office and delivering themselves to respective schools. Hence becoming a challenge to get the receipts. Going forward we have agreed to engage EMS to collect and deliver them to schools then collecting the receipts for the office.</p>		
OAG/UER/AUD/NG-CDF/ISIOLO SOUTH 2021/22(26)	<p>Untagged Assets: As previously reported, Annex 4 to the financial statements reflects Kshs.16,510,000 in respect to summary of fixed assets. However, furniture & fittings and Information Communication Technology (ICT) equipment valued at Kshs.1,510,000 were not tagged for ease of tracking and identification contrary to Regulation 139(1)(a) and (b) of the Public Finance Management (National Government)</p> <p>Further, the assets were not insured</p>	<p>After the audit the management his in the process of insuring its assets NG CDF Isiolo South management did not include the land in the Asset register because the ownership documents are not with us. Thus, including it in register would have been misleading</p>	Not Resolved	30/6/2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>contrary to Section 31(4) of the National Government Constituencies Development Fund Act, 2015 which states that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Development Fund Committee shall be the property of the Board to be insured in the name of the Board.</p> <p>In addition, the building structures sit on un surveyed land of unknown value and the land was not registered in the name of the National Government Constituencies Development Fund Board contrary to Section 31(4) of the National Government Constituencies Development Fund Act, 2015 which states that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Development Fund Committee shall be the property of the Board.</p>			


Name: John Mwangi Chege
Fund Account Manager.



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