

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
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Hon. Owen Binyamin
Deputy, Speaker of the National Assembly
Charles Kariuki

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KILOME
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2023



OFFICE OF THE AUDITOR GENERAL
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KILOME CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

PWD-People living with disabilities

Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Josefrida Mumbua Kameti
2.	Sub-County Accountant	Benjamin Makau
3.	Chairman NGCDFC	Simon Muthiani Tama
4.	Member NGCDFC	Jennifer Mueni Nzinga

(c) Fiduciary Oversight Arrangements

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

P.O. Box 163-90134
NG-CDF Kilome Building,
Mukaa Sub-County HQtrs
Yoani-Salama.
Kenya

(e) Kilome Constituency NGCDF Contacts

Telephone: (254) 720 120 932
E-mail: cdfkilome@ngcdf.go.ke
Website: www.go.ke

(f) Kilome Constituency NGCDF Bankers

Kenya Commercial Bank
Emali Branch
P.O. Box 4076-90121
Emali, Kenya
Acc. No. 1124880895

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairperson's Report



**MR. SIMON MUTHIANI TAMA
CHAIRPERSON NG-CDF KILOME**

Brief Constituency Profile

NG-CDF Kilome is an electoral constituency in Kenya. It is one of the six constituencies in Makueni County, the others are Kaiti, Makueni, Kibwezi East , Kibwezi West and Mbooni.

The constituency has three wards namely Kiima Kiu Kalanzoni Kiou, Kasikeu and Mukaa Kitaingo. It covers an area of 641.30 in sq. km(Apprx).The constituency borders several other constituencies which include Kaiti...Latitude and longitude.

Kilome constituency lies in the arid and semi-arid zones of the eastern region of the country. The major physical features in Kilome include the Konza techno city among others.

Commentary on significant budget performance against actual amounts for current year based on economic classification and programmes

Overall Performance

The Overall fund performance was at 58%, which is slightly above average utilization scale. The breakdown was as follows;

***Kilome Constituency
National Government Constituencies Development Fund (NGCDF)
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1. ***Compensation of Employees***-Performed at 51% - This is a recurrent budget catering for NG-CDFC staff salaries, allowances and Staff Monthly NSSF, NHIF dues. The utilization scale went high after payment of outstanding Staff Gratuity dues for completed terms.
2. ***Committee Expenses*** - Performed at 98% - This is a recurrent vote too catering for payment of Committee sitting/M&E Allowances.
3. ***Use of goods and services*** – Posted an overall performance of 89%, Being an Administration Acc. Catering for general Office operation, NG-CDFC / PMC Trainings and NG-CDFC Meeting allowances.
4. ***Transfer to other Government Units*** posted 37% performance. This was noted as a drop in performance compared to the last financial year. This was majorly occasioned by Late Disbursement of projects funds; hence, projects approved during the year were carried forth for implementation in the subsequent FY 2023-2024.
5. ***Other Grants and Transfers*** – performed at 75%, which was noted to be way above average. Projects under this category involves allocation and awarding of Bursaries to needy students and a few development projects.

Awarding of Bursaries were prioritized during the Financial Year and hence the sector posting a higher performance compared with other sectors. Other projects falling under this category were yet awaiting implementation due to late disbursement of funds, and others were still pending approval by the NG-CDF Board.

The people of Kilome constituency are determined to participate effectively in domesticating objectives of the big Four Agenda in our development planning.

The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya, which makes public participation mandatory.

The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

**SUMMARY OF THE BUDGET PERFORMANCE AGAINST ACTUAL AMOUNTS FOR CURRENT YEAR
BASED ON ECONOMIC CLASSIFICATION AND PROGRAMMES.**

Table 1: FINAL BUDGET AGAINST ACTUAL PERFORMANCE

Item	Final Budget	Actual Expenditure
Compensation of Employees	9,835,258	4,978,584
Committee expenses	2,914,250	2,845,000
Use of goods and services	7,027,450	6,275,656
Transfers to Other Government Units	44,900,000	16,586,452
Other grants and transfers	71,332,058	53,411,241
Oversight Committee Expenses	-	1,230,000

GRAPH SHOWING FINAL BUDGET AGAINST ENTITY ACTUAL PERFORMANCE

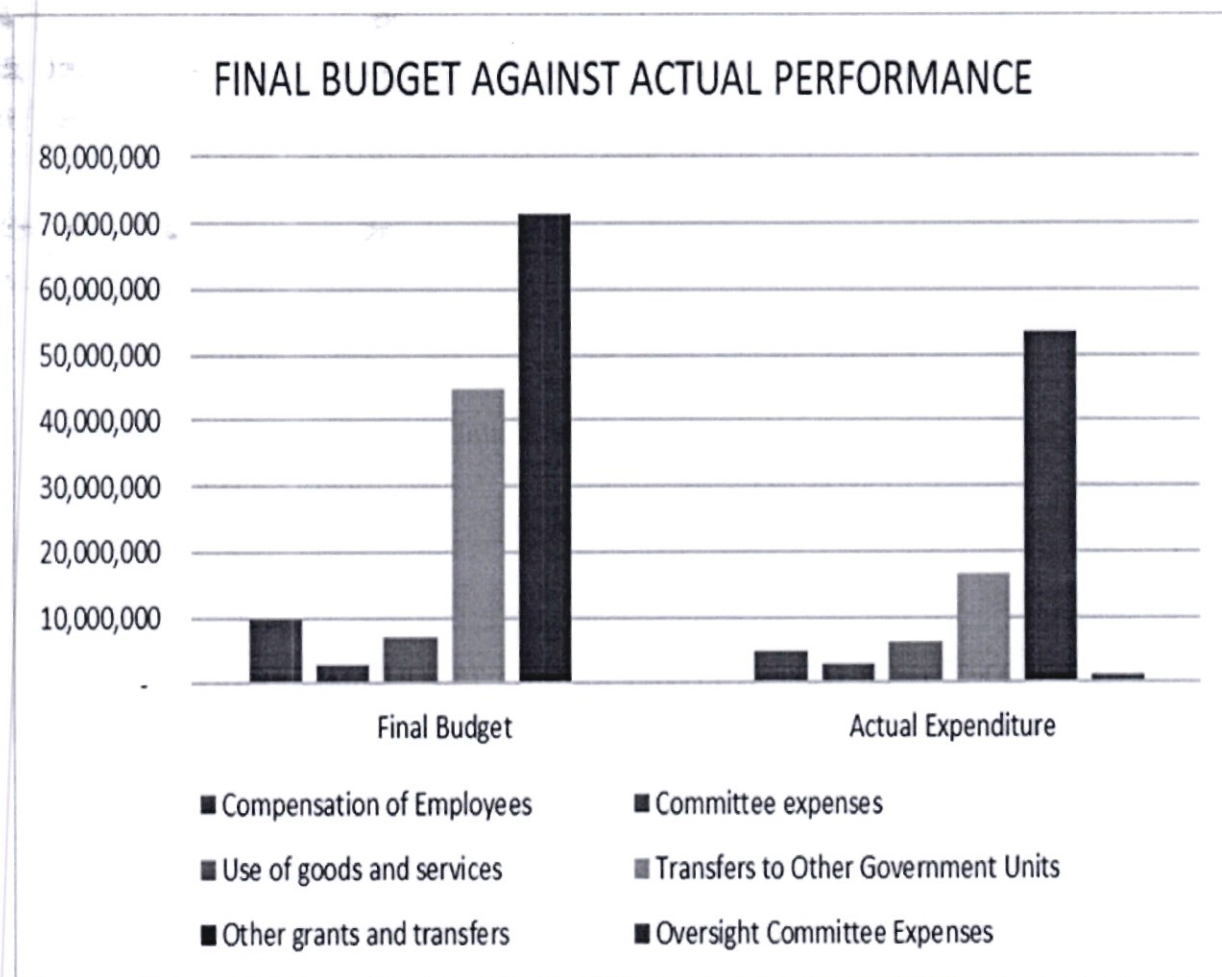
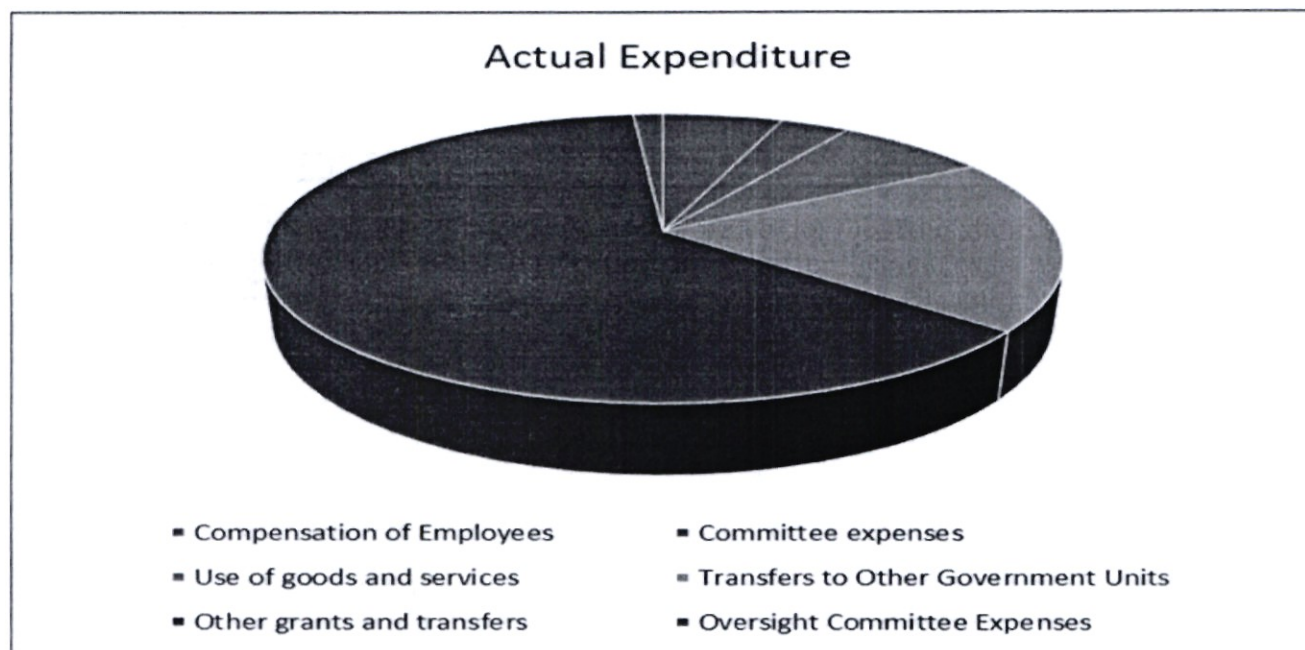


Table 2: ACTUAL PERFORMANCE PER SECTOR

Item	Actual Expenditure
Compensation of Employees	4,978,584
Committee expenses	2,845,000
Use of goods and services	6,275,656
Transfers to Other Government Units	16,586,452
Other grants and transfers	53,411,241
Oversight Committee Expenses	1,230,000

PIE CHART SHOWING ACTUAL PERFORMANCE PER SECTOR



Key Achievements

Summary of Sector funding

During FY 2022-2023, NG-CDF Kilome awarded bursary to the needy and vulnerable students amounting to ksh. 49, 704,392 against a budget allocation of ksh. 52,536,985. This was an outstanding achievement in the Education Programme.

Further, a total of Ksh. 41,236,575.38 was allocated to the Education sector (Primary and Secondary schools). The general sectors’ performance during the year was average since the NG-CDFC prioritized award of bursaries to needy and bright students. The entity is highly anticipating to improve in the coming FY.

Other sectors i.e. sports were implemented/conducted on time and were very beneficial to the youth, PWDs and the public too. An estimated 1,500 youth from the constituency participated in the tournament.

Successful projects undertaken during the year

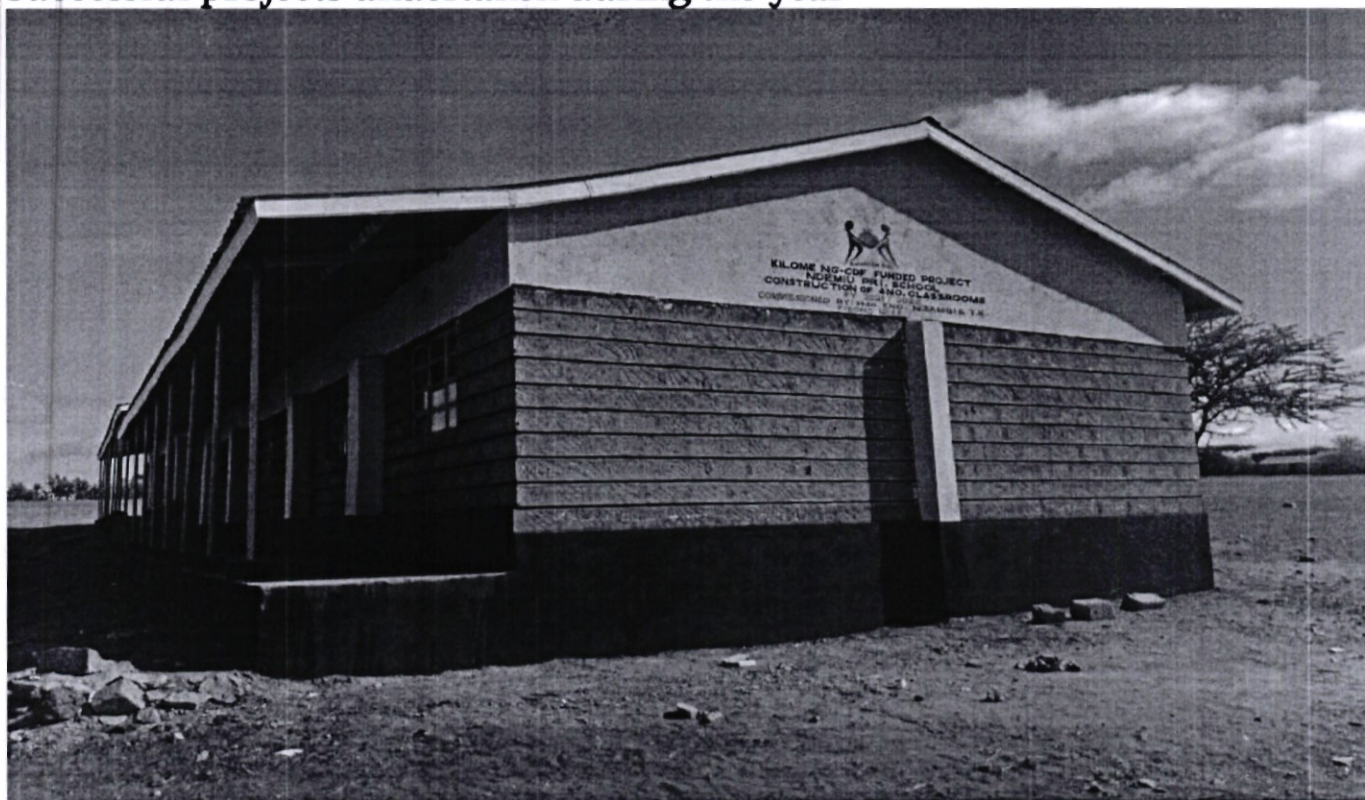


FIG 1: NDEMIU PRIMARY SCHOOL

Ndemiu primary school is located in Kiimakui/Kalanzoni ward. The construction of 4 classrooms is a completed Branded and handed over to PMC for use and the classes expected to host 50 pupils. This project is pride of the Kilome constituency because a conducive learning environment will be available for the local community students. The project is a clear indication of the milestones Kilome NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.



FIG 2: MALILI TOWNSHIP PRIMARY SCHOOL

Malili township primary school is located in Kiimakiu/Kalanzoni ward. The construction of 1 classroom is a completed Branded and handed over to PMC for use and the classes expected to host 50 pupils. This project is pride of the Kilome constituency because a conducive learning environment will be available for the local community students. The project is a clear indication of the milestones Kilome NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.



FIG3: BOREHOLE SITE AT KAVUKO PRIMARY SCHOOL /SOLAR PANELS

Kavuko primary school is located in Mukaa/Kitaingo ward. The construction of a borehole and solar panels is a completed Branded and handed over to PMC for use is expected to improve the livelihood of students and teachers at Kavuko primary school. This project is pride of the Kilome constituency because a conducive learning environment will be available for the local community students. The project is a clear indication of the milestones Kilome NG--CDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.

Emerging Issues

- During the Year 2022-2023, the NG-CDF were able to implement all major projects approved in 2022-2023 Projects proposal, including part of those that were pending in the previous Financial Years.
- In the FY 2022-2023 the economic hardship experienced across the county led to inflation of construction materials making the initial budget of projects appear insufficient. This led Kilome NGCDF to review the bills of quantities to match the escalated building materials costs.
- Additionally, the high costs of living led to many students and parents to seek full sponsorships from the constituency bursary fund, consequently resulting to full utilization of Bursary allocation.

Challenges Noted

- Late Disbursement of Funds-Late Implementation of Projects
- In the financial year 2022/2023, the NG-CDF Kilome was allocated Ksh. 131,342,462. By 30th June 2023, the fund had only received Ksh. 95,000,000 and an AIA of Ksh. 10,000 raised from sale of Tenders during the Year.
- This delay of funds resulted to under-utilization of various votes especially Transfers to other Government entities.
- The NG-CDFC urges the NG-CDF Board to disburse funds on time, to facilitate timely implementation of Projects and improve on performance/utilization scale.
- There was also noted a challenge in the education sector, since there are many needy students who need support through the bursary fund which is never enough; this is due to lower middle-income economy status within the constituency. Through the vetting criteria, the NG-CDFC have endeavored to give priority to the very needy students to enable them cater for their school fees.



.....
**Name: SIMON MUTHIANI TAMA
CHAIRPERSON NG-CDF KILOME**

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

Introduction

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

The key development objectives of Kilome Constituency 2023-2028 Plan are to:

- i. Develop a Resource mobilization framework in distribution of resources to constituents
- ii. Education-keep children in school until secondary-to College/University by fair issuance of bursaries to needy students and improve its performance.
- iii. To increase youth, disabled and women participation in development and sports activities.
- iv. To enhance security in the area by having more police posts, chiefs offices.
- v. To improve infrastructure within the constituency by ensuring more classrooms, Dormitories, Laboratories are put up in all Education Institutions-Both Primary and Secondary schools.
- vi. Enhance management and conservation of environment.
- vii. To gradually build capacity of the community to implement Successful development projects.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 22/23, 6 classrooms and 3 dormitories were funded. 5 Classrooms in Primary schools, 2 dormitories in secondary schools are complete and

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		institutions		all others are ongoing. Bursaries Bursaries were disbursed as follows: A Total of 9,675 needy students in secondary schools and 3,056 in tertiary institutions benefitted with bursary.
Security	To enhance security in the Constituency by having more police posts, chiefs offices.	Reduced insecurity complaints and improved service delivery.	Number of Police posts and Chief's offices built / Renovated in the Constituency.	Construction of 2 New police stations, Construction of a DCCs House, Construction of a new chief's Office and refurbishment of 2 existing Chiefs offices.
Environment	Enhance management and conservation of environment	Improve on Tree planting, opening of road networks through construction of Gabions.	Number of projects implemented and completed from the Environment kitty.	Environment funds were delayed (Pending approval of Environment project). Once it is approved, the NG-CDFC Shall ensure immediate implementation.
Sports	To increase youth, disabled and women participation in development and sports activities.	Behaviour change, Talents nurtured among the Youth, and PWDs.	Number of participants in Constituency tournament.	2 tournament events were held at the Constituency. An estimated 1,500 youth participated in the events.
Emergency	To cater for unforeseen occurrences in the constituency.	Responsive to emergency occurrences	Number of Emergency projects funded	2 primary and 1 secondary school benefitted with emergency funds during the Year.

V. Statement of Governance

Introduction

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

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

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

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

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

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

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

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

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

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

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

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

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off .This caused the NGCDF office to carry out an appointment of the new committee.

In Kilome constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee.

Appointment of NGCDFC Members

The selection Panel

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

SNO	NAME	DESIGNATION
1	Elisha Muriithi	Chairperson
2	Josefrida Kameti	Secretary
3	Benard Mulinge Munyao	Member
4	Stephen Mukuu Wambua	Member

The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency on 30-09-2022

The selection panel developed a shortlisting criterion, which enabled picking of the nominees. Four nominees were selected by the selection committee as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Simon Muthiani Tama	Male-Adult	Kasikeu
2.	Thaddeus N. King'oo	Male-Youth	Mukaa
3.	Jennifer Mueni Nzinga	Female-Adult	Mukaa
4.	Salma Jaruf	Female-Youth	Kasikeu

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Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Augustine Mwikya	Physical	Kiimakiu Ward

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Steve Munyao	Male - Nominee of Constituency Office	Kasikeu
2	Margaret Maweu	Female - Nominee of Constituency Office	Kiimakiu

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

S/N	Name	Gender	Ward
1.	Josephine Mutie	Female	Mukaa

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

1. Chairperson position – Simon Tama
2. Secretary position – Jennifer Nzinga

The term of office for the members of the Constituency Committee is 2 years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted **Vol. CXXIV-No. 266** Dated 9th December, 2022. The new committee held its first meeting on 19.01.2023 at the NG-CDFC /Office.

Roles and functions of NG-CDFC

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

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

- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43 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. The constituency also held a capacity building activity in Mombasa on 2nd - 7th March 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kilome

Removal of an NG-CDFC Member

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

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before the resolution is made. In Kilome the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Number of meetings held

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

During the financial year 2022/2023 the NGCDFC Kilome held 12 meetings through the year with the current committee as illustrated as follows;

Schedule of meetings held during the FY 2022/2023

Key:

- Member Present -√
- Member Absent – x

S.No	NG-CDFC MEMBERS COMMITTEE	19/01/2023	31/01/2023	07/02/2023	28/02/2023	15/03/2023	30/03/2023	03/04/2023	27/04/2023	02/05/2023	23/05/2023	05/06/2023	29/06/2023
1	Chairperson - Simon Muthiani Tama	√	√	√	√	√	√	√	√	√	√	√	√
2	Secretary - Jennifer Mueni Nzinga	√	√	√	√	√	√	√	√	√	√	√	√
3	Member - Steve M. Munyao	√	√	X	√	√	√	√	√	√	√	√	√
4	Member - Margaret Kitumbi Maweu	√	√	√	√	√	√	√	X	√	√	√	√
5	PWD -Augustine M. Mutua	√	√	√	√	√	√	√	√	√	√	√	X
6	Member - Thaddeus N. King'oo	√	√	√	√	√	√	√	√	√	√	√	√
7	Member - Salma Jaruf	√	√	√	√	√	X	√	√	√	√	√	√
8	Member - Josephine Mutie	√	√	√	√	√	√	√	√	√	√	√	√
9	DCC - Elisha Muriithi	√	√	√	X	√	√	√	√	√	X	√	√
10	FAM - - Josefrida Kameti	√	√	√	√	√	√	√	√	√	√	√	√

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 Kilome adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7,000 per meeting and all other members an allowance of ksh.5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting. 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 Kilome contravened conflict of interest policy.

Risk management

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

Some of the risk mitigation strategies that NGCDFC Kilome 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

Kilome NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It is 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 Kilome NGCDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** KILOME 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 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- The NG-CDFC Kilome has collaborated with various institutions majorly from the County Government to carry out Environmental Conservation Activities more so Planting and managing to maturity of Trees in all Public Primaries and Secondary Schools.
- The tree planting activities are organized during every rainy-season of the year, for improved growth of the trees.

Sensitization of youth through Sports

- The NG-CDFC Kilome has initiated a Drug-Abuse sensitization programme in the constituency through sponsoring of sporting activities in the Constituency. A Sports tournament of organized once in every Financial Year and the youth from the constituency are the participants.
- This has drastically reduced the rate of influenced drug use, and heightened a remarkable behaviour change among the youth.
- During the sports tournaments, the NG-CDFC has mobilised the community on Environment conservation issues affecting them directly and the possible measures to curb the menace and restore a habitable environment.

3. Employee welfare

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

Kilome 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-

Kilome 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, Implementation, and Monitoring

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

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

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

Public Awareness

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

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



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

The Accounting Officer in charge of the NGCDF-Kilome 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- KILOME Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Kilome 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

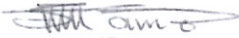
Kilome Constituency

**National Government Constituencies Development Fund (NGCDF) 16th Constituency
Annual Report 2023 Financial Statements for The Year Ended June 30, 2023**

prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

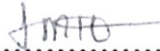
Approval of the financial statements

The NGCDF- Kilome Constituency financial statements were approved and signed by the Accounting Officer on 11.04.2024



.....
Name: SIMON TAMA

Chairperson – NGCDF Committee



.....
Name: JOSEFRIDA KAMETI

Fund Account Manager

11 APR 2024

REPUBLIC OF KENYA



Enhancing Accountability

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Website: www.oagkenya.go.ke

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kilome Constituency set out on pages 1 to 43, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kilome 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 in 2022).

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.53,411,241 which as disclosed in Note 8 to the financial statements, includes bursary payments amounting to Kshs.43,386,312, Kshs.5,723,950 and Kshs.594,130 disbursed to secondary schools, tertiary institutions and special schools respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

Further, during the year under review the Fund disbursed bursary amounting to Kshs.3,853,428 to 141 students in different institutions on full scholarship program. A sample of the full scholarship application forms revealed that no supporting documents were attached in the application forms including death certificates, letters of recommendation from the schools and the Chief as recommended by the Fund Committee resolutions passed on 8 March, 2023.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.49,704,392 could not be confirmed.

2. Undisclosed Accounts Payable

The statement of assets and liabilities reflects Nil balances in respect of retention and gratuity payable. However, Note 14A and 14B to the financial statements reflect retention and gratuity payable balances of Kshs.963,391 and Kshs.403,943 respectively.

In the circumstances, the accuracy and completeness of the Nil balances for retention and gratuity could not be confirmed.

3. Unconfirmed Project Management Committee Bank Balances

Note 19.4 as disclosed in Annex 5 to the financial statements reflects Kshs.4,599,510 as PMC bank account balance. The amount related to twenty-six (26) projects which had been completed during the year. However, bank confirmation certificates, cash books and

bank reconciliation statements for the twenty-six (26) accounts were not provided for audit. Further, the unspent balances had not been transferred back to the main Fund account and the respective PMC bank accounts closed.

In the circumstances, the accuracy and completeness of PMC bank balances 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 - Kilome Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.147,545,866 and Kshs.106,353,404 respectively, resulting in an under-funding of Kshs.41,192,462 or 28% of the budget. However, the Fund spent Kshs.85,326,933 against actual receipts of Kshs.106,353,404 resulting to under-utilization of Kshs.21,026,471 or 20% 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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management comments on follow-up of auditor's recommendations in Annex 6 to the financial statements indicates that Management had resolved all the issues as at 30 June, 2023. However, no corresponding evidence was provided for verification and confirmation. Further, Management has not provided explanation for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

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

Basis for Conclusion

1. Non-Compliance with the Law on Management of Emergency Reserves

Included in other grants and transfers amount of Kshs.53,411,241 is an amount of Kshs.580,000 incurred on emergency projects. However, Management did not report the implementation of emergency projects to the NG-CDF Board within thirty (30) days of the occurrence, as stipulated in Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016, which states that utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency.

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

2. Projects Implementation

Note 7 to the financial statements reflects an amount of Kshs.16,586,452 as transfers to other Government units. However, physical inspection during the month of March, 2024 of sampled projects revealed that five (5) projects had various implementation issues as detailed below; -

2.1 Construction of Access Road to Ikuutani-Kiou Primary School

The project had been allocated Kshs.3,885,760 and was also being implemented by another Government Agency – Kenya Rural Roads Authority (KeRRA). However, it was not possible to determine what portion of the work was implemented by the Fund.

2.2 Poor Workmanship in School Projects

2.2.1 Construction of Four Classrooms at Ndemiu Primary School

The Fund spent Kshs.2,000,000 towards the construction of four (4) classrooms at Ndemiu Primary School. However, one classroom had a visible crack cutting through the classroom that was attributed to inadequate excavation of black cotton soil. Further, the classrooms walls had only one coat of water-based paint instead of the three as per the Bill of Quantities and electrical works were incomplete with only electrical conduits having been done.

2.2.2 Construction of One Classroom at Kamaku Primary School

An allocation of Kshs.1,000,000 was made for construction of a classroom at Kamaku Primary School. However, verification of the project confirmed that the floor had developed cracks, 20 pieces of gutters and down pipes in the Bill of Quantities had not been installed and the walls had only one coat of water-based paints instead of three. Further, treatment and repainting of roofing woodwork had not been done.

2.2.3 Construction of Four Classrooms at Kiteini Primary School

The Fund had also allocated Kshs.2,000,000 for the construction of four (4) classrooms at Kiteini Primary School. However, physical verification confirmed that treatment roofing woodwork was not done and the walls had only one coat of water-based paint.

2.2.4 Construction of Dormitory at St. Stephens Kima A.C.K Secondary School

A construction for a dormitory at St. Stephens Kima A.C.K Secondary School which had been allocated Kshs.1,000,000 in the year under review had poorly done filling works with some tiles protruding. In addition, 30 brass window fasteners and union metal door locks had not been fixed and the walls had one coat of water-based paint.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Irregular Release of the 10% Retention

Note 7 to the financial statement reflects an amount of Kshs.16,586,452 as transfers to other Government units. However, review of expenditure records revealed that the Fund

paid out 10% retention money for seven (7) projects before the expiry of defect liability period as required in the conditions of contract.

In the circumstances, the internal controls over the project implementation were ineffective and Management may face difficulties in the event of making defects good, where identified.

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

Responsibilities of the 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless 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 controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 June, 2024

Kilome Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	95,000,000	179,460,733
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	10,000	-
Total Receipts		95,010,000	179,460,733
Payments			
Compensation Of Employees	4	4,978,584	2,109,810
Committee expenses	5	2,845,000	3,942,000
Use Of Goods and Services	6	6,275,657	5,713,455
Transfers To Other Government Units	7	16,586,452	90,840,000
Other Grants and Transfers	8	53,411,241	114,360,809
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	1,230,000	-
Other Payments	11	-	-
Total Payments		85,326,934	216,966,074
Surplus/ (Deficit)		9,683,066	(37,505,341)

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 11:04.....2023 and signed by:

[Signature]

Fund Account Manager

Name:
JOSEFRIDA KAMETI



[Signature]

National Sub-County Accountant

Name:
BENJAMIN MAKAU
ICPAK M/No: 22530



[Signature]

Chairperson NG-CDF Committee

Name:
SIMON TAMA

[Handwritten mark]


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


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

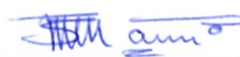
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	21,026,470	11,343,404
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		21,026,470	11,343,404
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		21,026,470	11,343,404
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		21,026,470	11,343,404
Represented By			
Fund Balance B/Fwd	15	11,343,404	48,848,746
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		9,683,066	(37,505,341)
Net Financial Position		21,026,470	11,343,405

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 11.04.2024 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairperson NG-CDF
Committee

Name:
JOSEFRIDA KAMETI

Name:
BENJAMIN MAKAU
ICPAK M/No: 22530

Name:
SIMON TAMA




Kilome Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****XI. Statement of Cash Flows for the Year Ended 30th June 2023**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	95,000,000	179,460,733
Other Receipts	3	10,000	-
Total Receipts		95,010,000	179,460,733
Payments			
Compensation Of Employees	4	4,978,584	2,109,810
Committee Expenses	5	2,845,000	3,942,000
Use Of Goods and Services	6	6,275,657	5,713,455
Transfers To Other Government Units	7	16,586,452	90,840,000
Other Grants and Transfers	8	53,411,241	114,360,809
Oversight Committee Expenses	10	1,230,000	-
Other Payments	11	-	-
Total Payments		85,326,934	216,966,074
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		9,683,066	(37,505,341)
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		9,683,066	(37,505,341)
Cash & Cash Equivalent At Start Of The Year	12	11,343,405	48,848,746
Cash & Cash Equivalent At End Of The Year	12	21,026,470	11,343,405

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

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


The Constituency financial statements were approved by NG CDFC on 11.04.2024 and signed by:



Fund Account Manager



National Sub-County Accountant



Chairperson NG-CDF Committee

Name:
JOSEFRIDA KAMETI

Name:
BENJAMIN MAKAU
ICPAK M/No: 22530

Name:
SIMON TAMA



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 %
Receipts	<i>2022-2023</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2022-2023</i>	<i>2022-2023</i>		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	131,342,462	11,343,404	4,850,000	147,535,866	106,343,404	41,192,462	72%
Proceeds From Sale of Assets			-	-		-	#DIV/OI
Other Receipts		10,000		10,000	10,000	-	100%
Totals	131,342,462	11,353,404	4,850,000	147,545,866	106,353,404	41,192,462	72%
Payments							
Compensation Of Employees	3,769,115	6,066,143	-	9,835,258	4,978,584	4,856,674	51%
Committee Expenses	2,024,256	889,994	-	2,914,250	2,845,000	69,250	98%
Use Of Goods and Services	6,027,450	1,000,000	-	7,027,450	6,275,656	751,794	89%
Transfers To Other Government Units	37,150,000	2,900,000	4,850,000	44,900,000	16,586,452	28,313,548	37%
Other Grants and Transfers	70,844,791	487,267	-	71,332,058	53,411,241	17,920,817	75%
Acquisition of Assets	-	-	-	-	-	-	0%
Oversight Committee Expenses	1,313,425	-	-	1,313,425	1,230,000	83,425	94%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	0%
Funds Pending Approval**	8,213,425	10,000		8,223,425	-	8,223,425	
Totals	131,342,462	11,353,404	4,850,000	147,545,866	85,326,933	62,218,933	58%

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

Commentary on significant budget performance against actual amounts for current year based on economic classification and programmes

Overall Performance

The Overall fund performance was at 58%, which is slightly above average utilization scale. The breakdown was as follows;

6. **Compensation of Employees**-Performed at 51% - This is a recurrent budget catering for NG-CDFC staff salaries, allowances and Staff Monthly NSSF, NHIF dues. The utilization scale went high after payment of outstanding Staff Gratuity dues for completed terms.
7. **Committee Expenses** - Performed at 98% - This is a recurrent vote too catering for payment of Committee sitting/M&E Allowances.
8. **Use of goods and services** – Posted an overall performance of 89%, Being an Administration Acc. Catering for general Office operation, NG-CDFC / PMC Trainings and NG-CDFC Meeting allowances.
9. **Transfer to other Government Units** posted 37% performance. This was noted as a drop in performance compared to the last financial year. This was majorly occasioned by Late Disbursement of projects funds; hence, projects approved during the year were carried forth for implementation in the subsequent FY 2023-2024.
10. **Other Grants and Transfers** – performed at 75%, which was noted to be way above average. Projects under this category involves allocation and awarding of Bursaries to needy students and a few development projects. Bursaries were prioritized during the Financial Year and hence posting the high performance of all. Other projects falling under this category were yet awaiting implementation due to late disbursement of funds.

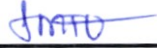
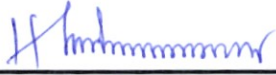
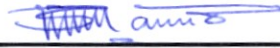


Changes between the original and final budget

- Variations noted between the Original and Final Budget are as a result of Ksh. 11,343,404 which was the Opening Balance from FY 2021-2022 and 4,850,000 which was noted as unrealized receipts for previous Financial Years.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	62,218,932
Less undisbursed funds receivable from the Board as at 30 th June 2023	41,192,462
	21,026,470
Increase/(decrease) Accounts payable	
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	21,026,470

The Constituency financial statements were approved by NG CDFC on 11.04.2024 and signed by:

 <hr/> Fund Account Manager	 <hr/> National Sub-County Accountant	 <hr/> Chairperson NG-CDF Committee
<p>Name: JOSEFRIDA KAMETI</p> 	<p>Name: BENJAMIN MAKAU ICPAK M/No: 22530</p> 	<p>Name: SIMON TAMA</p>

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Blk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,769,115	6,066,143	-	9,835,258	4,978,584	4,856,674
1.2 Committee allowances	1,052,191	-	-	1,052,191	1,030,000	22,191
1.3 Use of goods and services	4,670,329	786,000	-	5,456,329	4,912,000	544,329
Sub-total	9,491,635	6,852,143	-	16,343,778	10,920,584	5,423,194
2.0 Monitoring and evaluation						
2.1 Capacity building	0	-	-	-	-	-
2.2 Committee allowances	972,065	889,994	-	1,862,059	1,815,000	47,059
2.3 Use of goods and services	1,357,121	214,000	-	1,571,121	1,363,656	207,465
Sub-total	2,329,186	1,103,994	-	3,433,180	3,178,656	254,524
3.0 Emergency						
3.1 Primary Schools						
3.1.1 Kwangumu primary school	350,000	-	-	350,000	350,000	-
3.1.2 Matiani primary school	200,000	-	-	200,000	200,000	-
3.1.3 Kiu primary school	30,000	-	-	30,000	30,000	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.5 Unutilised	7,056,191	-	-	7,056,191	-	7,056,191
Sub-total	7,636,191	-	-	7,636,191	580,000	7,056,191
4.0 Bursary and Social Security						
4.1 Primary Schools (Special Needs)	2,536,984	487,267	-	3,024,251	594,130	2,430,121
4.2 Secondary Schools	32,000,000	-	-	32,000,000	32,000,000	-
4.3 Tertiary Institutions/Universities	18,000,000	-	-	18,000,000	17,110,262	889,738
4.5 Social Security	-	-	-	-	-	-
Sub-total	52,536,984	487,267	-	53,024,251	49,704,392	3,319,859
5.0 Sports						
5.1 Mwabeni Enterprises Sports Supplies	2,626,849	-	-	2,626,849	2,126,849	500,000
Sub-total	2,626,849	-	-	2,626,849	2,126,849	500,000
6.0 Environment						
6.1	-	-	-	-	-	-
6.2	-	-	-	-	-	-
6.3	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 Kiteini Primary School	4,400,000	-	-	4,400,000	2,000,000	2,400,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.2 Kaluli Primary School	3,300,000	-	-	3,300,000	-	3,300,000
7.3 Sultan Hamud Primary School	4,500,000	-	-	4,500,000	-	4,500,000
7.4 Mbiini Primary School	3,000,000	-	-	3,000,000	2,850,692	149,308
7.5 Kiongwani Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.6 Kwale Primary School	500,000	-	-	500,000	-	500,000
7.7 Kwale Primary School	200,000	-	-	200,000	-	200,000
7.8 Kamaku Primary School	1,000,000	-	-	1,000,000	1,000,000	
7.9 Malili Township Primary School	1,100,000	-	-	1,100,000	-	1,100,000
7.10 Kwambeu Primary School	4,000,000	-	-	4,000,000	-	4,000,000
7.11 Ulu Primary School	1,400,000	-	-	1,400,000	-	1,400,000
7.12 Muatha Primary School	500,000	-	-	500,000	-	500,000
7.13 Wathini Primary School	850,000	-	-	850,000	850,000	-
7.14 Muthitha Primary School	200,000	-	-	200,000	150,000	50,000
7.15 Ndemiu Primary School	1,100,000	2,450,000	850,000	4,400,000	4,400,000	-
7.16 Mbukuni Primary School	0	450,000	-	450,000	450,000	-
7.17 Kalanzoni Primary School	0	-	-	-	-	-
7.18 Ikutani-Kiou Access Road	0	-	4,000,000	4,000,000	3,885,760	114,240
Sub-total	27,050,000	2,900,000	4,850,000	34,800,000	15,586,452	19,213,548
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Masokani Secondary School	4,500,000	-	-	4,500,000	-	4,500,000

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			
8.2 Muua Secondary School	4,600,000	-	-	4,600,000	-	4,600,000
8.3 ACK St. Stephen Kima Secondary School	1,000,000	-	-	1,000,000	1,000,000	-
Sub-total	10,100,000	-	-	10,100,000	1,000,000	9,100,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1	-	-	-	-	-	-
9.2	-	-	-	-	-	-
9.3	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
10.0 Security Projects						
10.1 Muua Police Post	1,000,000	-	-	1,000,000	-	1,000,000
10.2 Muua Police Post	1,094,767	-	-	1,094,767	-	1,094,767
10.3 Deputy County Commissioner's House	1,000,000	-	-	1,000,000	1,000,000	-
10.4 Malili Police Post	800,000	-	-	800,000	-	800,000
10.5 Malili Police Post	700,000	-	-	700,000	-	700,000
10.6 Mbyani Chief's Office	500,000	-	-	500,000	-	500,000
10.7 Ngaamba Chief's Office	500,000	-	-	500,000	-	500,000
10.8 Sultan Hamud Chief's Office	500,000	-	-	500,000	-	500,000
10.9 Sultan Hamud Police Post	950,000	-	-	950,000	-	950,000
10.10 Salama Police Post	200,000	-	-	200,000	-	200,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.11 Enzai Chief's Office	150,000	-	-	150,000	-	150,000
10.12 Malili Chief's Office	200,000	-	-	200,000	-	200,000
10.13 Sultan Hamud Chief's Office	150,000	-	-	150,000	-	150,000
10.14 Ngaamba Chiefs Office	150,000	-	-	150,000	-	150,000
10.5 Maiani Chief's Office4 office	150,000	-	-	150,000	-	150,000
Sub-total	8,044,767	-	-	8,044,767	1,000,000	7,044,767
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
12.0 Oversight Committee Expenses (itemize)						
12.1 Constituency Oversight Committee Allowances	700,000	-	-	700,000	664,425	35,575
12.2 Accommodation - Domestic Travel	200,000	-	-	200,000	197,150	2,850
12.3 Daily Subsistence Allowance	100,000	-	-	100,000	100,000	-
12.4 Publishing and Printing Services	50,000	-	-	50,000	5,000	45,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.5 Advertising, Awareness and Publicity Campaigns	50,000	-	-	50,000	50,000	-
12.6 Telephone, Telex, Facsimile and Mobile Phone Service	63,425	-	-	63,425	63,425	-
12.7 Refined Fuels and Lubricants for Transport	150,000	-	-	150,000	150,000	-
Sub-total	1,313,425	-	-	1,313,425	1,230,000	83,425
13.0 Others						
13.1 Strategic Plan	2,000,000	-	-	2,000,000		2,000,000
13.2 Innovation Hub						
13.2						
Sub-total	2,000,000	-	-	2,000,000	-	2,000,000
Funds pending approval** (Ikutani-Kiou Access Road & Environment & Revision Materials)	8,213,425	-	0	8,213,425	-	8,213,425
AIA	0	10,000	-	10,000	-	10,000
PMC savings	0	-	-	-	-	-
Total	8,213,425	10,000	-	8,223,425	-	8,223,425
Total	131,342,462	11,353,404	4,850,000	147,545,866	85,326,933	62,218,933

(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 the National Treasury completes this document to enable consolidation)

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-Kilome Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 23 June 2021 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	2022-2023		2021-2022
NGCDF Board	Kshs		Kshs
AIE NO. A888548	4,000,000	AIE NO. B140943	33,000,000
AIE NO. B185110	7,000,000	AIE NO. B105467	44,000,000
AIE NO. B185522	6,000,000	AIE NO. B105812	24,000,000
AIE NO. B185644	15,000,000	AIE NO. B128553	5,000,000
AIE NO. B206144	5,000,000	AIE NO. B128865	15,000,000
AIE NO. B206409	12,000,000	AIE NO. B154061	15,000,000
AIE NO. B205782	12,000,000	AIE NO. B164402	26,088,879
AIE NO. B207543	18,000,000	AIE NO. A895065	382,975
AIE NO. B207805	16,000,000	AIE NO. A895048	900,000
		AIE NO. B155967	12,088,879
		AIE NO. B155904	4,000,000
TOTAL	95,000,000		179,460,733

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment (Disposal of 1 No. 10,000 Litres Water Tank)	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	10,000	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	10,000	-

4. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,908,879	1,941,378
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,998,689	-
Employer Contributions Compulsory national social security schemes	71,016	168,432
Total	4,978,584	2,109,810

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,030,000	1,912,000
Other committee expenses	1,815,000	2,030,000
Total	2,845,000	3,942,000

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	-	97,270
Communication, supplies and services	938,743	1,751,077
Domestic travel and subsistence	105,000	690,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	633,000	702,258
Hospitality supplies and services	450,000	120,630
Insurance costs	256,890	228,463
Specialised materials and services	-	-
Office and general supplies and services	1,331,870	749,211
Fuel , oil & lubricants	486,930	450,000
Other operating expenses	1,495,000	460,000
Bank Charges	75,223	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	335,071	155,197
Routine maintenance- other assets	167,930	309,350
Total	6,275,657	5,713,455

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Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	15,586,452	42,590,000
Transfers To Secondary Schools (See Attached List)	1,000,000	45,250,000
Transfers To Tertiary Institutions (See Attached List)	-	3,000,000
Total	16,586,452	90,840,000

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	43,386,312	60,843,303
Bursary – tertiary institutions (see attached list)	5,723,950	17,996,226
Bursary – special schools (see attached list)	594,130	1,980,794
Mock & CAT (see attached list)	-	7,902,122
Social Security programmes (NHIF)	-	
Security projects (see attached list)	1,000,000	8,344,011
Sports projects (see attached list)	2,126,849	4,202,123
Environment projects (see attached list)	-	5,204,971
Emergency projects (see attached list)	580,000	7,887,260
Roads projects (see attached list)	-	-
Total	53,411,241	114,360,809

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

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

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	600,000	-
Other COC expenses	630,000	-
Total	1,230,000	-

11. Other Payments

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

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Kenya Commercial Bank - Emali Branch Acc. No. 1124880895	21,026,470	11,343,404
Total	21,026,470	11,343,404
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13. 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
14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	963,391	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	963,391	-

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	403,942.80	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	403,942.80	-

15. Fund Balance B/F

	(1st July 2022-1)	(1st July 2021-2)
	Kshs	Kshs
Bank accounts	11,343,404	48,848,746
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	963,391	-
Payables – Gratuity	403,942.80	-
Fund Balance Brought Forward	9,976,070.20	-

16. Prior Year Adjustments

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

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	6,075,000	-
Imprest surrendered during the Year (C)	6,075,000	-
closing accounts in account receivables D= A+B-C	0.00	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	963,391	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	963,391	-
Net changes in accounts payables D-A	-	-

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	963,391	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	963,391	-

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	403,942.80	-
Others (<i>specify</i>)	-	-
Total	403,942.80	-

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	4,856,674	6,066,143
Committee expense	69,250	
Use of goods and services	751,793	1,889,994
Amounts due to other Government entities (see attached list)	28,313,548	3,750,000
Amounts due to other grants and other transfers (see attached list)	17,920,817	487,267
Acquisition of assets	-	
Oversight Committee Expenses	83,425	
Other Payments (<i>specify</i>)	2,000,000	-
Funds pending approval	8,223,425	4,000,000
Total	62,218,932	16,193,404

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	4,599,510	17,013,967
Total	4,599,510	17,013,967

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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.Ikuutani-Kiou primary Access Road	3,885,760	23/09/2022	3,497,184	388,576	Being retention funds
2.Mbukuni Primary School-Renovation of 4classrooms	450,00	24/09/2022	445,500	4,500	Being retention funds
3.Kamaku Primary School-1 classroom Construction	1,000,000	23/02/2023	900,000	100,000	Being retention funds
4.Wathini Primary School-Renovation of 4 Pit Latrines and Kitchen	850,000	31/01/2023	765,000	85,000	Being retention funds
5.St.Stephens Kima A.C.K Secondary school-Dormitory Construction	1,000,000	29/06/2023	900,000	100,000	Being retention funds
6.Mbiini Primary School-Drilling and Equipping of Borehole	2,703,157	24/06/2023	2,432,841.30	270,315.70	Being retention funds
7.Muthitha Primary School-Renovation of 2 classrooms	150,000	29/06/2023	135,000	15,000	Being retention funds
Sub-Total	-	-	-	963,391	N/A
Construction of civil works	-	-	-	-	N/A
1.	-	-	-	-	N/A
2.	-	-	-	-	N/A
3.	-	-	-	-	N/A
Sub-Total	-	-	-	-	N/A
Supply of goods	-	-	-	-	N/A

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
4.	-	-	-	-	N/A
5.	-	-	-	-	N/A
6.	-	-	-	-	N/A
Sub-Total	-	-	-	-	N/A
Supply of services	-	-	-	-	N/A
7.	-	-	-	-	N/A
Sub-Total	-	-	-	-	N/A
Grand Total	-	-	-	963,391	N/A

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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. Nicholas Kioko Mutungi	Clerical Officer	01.01.2023	81,244.80	Being gratuity held for 6 months
2. Hellen Mbula Wambua	Records Management Officer	01.01.2023	81,244.80	Being gratuity held for 6 months
3. Justina Muthoki Muli	Accounts Assistant	01.01.2023	91,474.80	Being gratuity held for 6 months
4. Ruth Ndunge Nzesya	Support Staff/ Receptionist	01.01.2023	39,990.00	Being gratuity held for 6 months
5. Lumumba Ndambuki	Driver	01.01.2023	53,884.20	Being gratuity held for 6 months
6. Emmanuel Kiluu Muli	Clerk of works	01.01.2023	56,104.20	Being gratuity held for 6 months
Sub-Total	-	-	403,942.80	N/A
Grand Total	-	-	-	N/A

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
1.0 Administration and Recurrent				
1.1 Compensation of employees	Payment of Staff Salaries	4,856,674	6,066,143	Re-current vote
1.2 Committee allowances	Payment of Committee allowances and related expenses.	69,250		Re-current vote
1.3 Use of goods and services	Payment of Admin expenses.	700,000		Re-current vote
		5,625,924		
2.0 Monitoring and evaluation				
2.2 Committee allowances	Payment of Committee M&E allowances and related expenses.	-		Re-current vote
2.3 Use of goods and services	Payment of M&E expenses.	51,793		Re-current vote
		51,793		
Amounts due to other Government entities			3,750,000	Pending disbursement of funds
Kiteini Primary School	Construction to Completion of 4 Classrooms with a ramp to cater for People with Disability.	2,400,000		Pending disbursement of funds
Kaluli Primary School	Construction to Completion of 3 Classrooms with a ramp to cater for People with Disability	3,300,000		Pending disbursement of funds
Sultan Hamud Primary School	Construction to completion of a 100-capacity modern dormitory with a ramp to cater for People with Disability	4,500,000		Pending disbursement of funds
Mbiini Primary School	Drilling and equipping of a Bore Hole with DAYLIFF pump DSP 5-32 3PH and 25 Solar panels (300W) for the School to completion.	149,308		Pending disbursement of funds
Kiongwani Primary School	Renovation to completion of 4 classrooms; Re-roofing, fixing of Doors	1,000,000		Pending disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	and windows, Flooring, Plastering and painting			
Kwale Primary School	Renovation to completion of 2 classrooms- Re-roofing, Doors and windows fitting, Flooring, Plastering and Re-painting	500,000		Pending disbursement of funds
Kwale Primary School	Renovation to completion of an Administration Block with 4 office units, Kshs. 200,000; Flooring and Painting of the office.	200,000		Pending disbursement of funds
Malili Township Primary School	Construction to Completion of 2 Classrooms with a ramp to cater for People with Disability.	1,100,000		Pending disbursement of funds
Kwambeu Primary School	Drilling and equipping of a Bore Hole with DAYLIFF pump DSP 5-32 3PH and 25 Solar panels (300W), for the school to completion.	4,000,000		Pending disbursement of funds
Ulu Primary School	Renovation to completion of 4 classrooms; Re-roofing, fixing of doors and windows, flooring with tiles, Plastering and Re-painting	1,400,000		Pending disbursement of funds
Muatha Primary School	Renovation to completion of 2 classrooms; Re-roofing, Flooring, Plastering and Re-painting	500,000		Pending disbursement of funds
Muthitha Primary School	Construction to completion of a 4-Door pit latrine with 1 chamber to cater for persons with disabilities,	50,000		Pending disbursement of funds
Ikutani-Kiou Access Road	Grading / levelling of Ikutani Road.	114,240		Pending disbursement of funds
Masokani Secondary School	Construction to completion of a 100-capacity modern dormitory with a ramp to cater for People with Disability	4,500,000		Pending disbursement of funds
Muua Secondary School	Construction to completion of Administration block with principal Office, Deputy Principal, 2 HoD offices	4,600,000		Pending disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	and a Staff Room,			
Sub-Total		28,313,548	9,816,143	
Amounts due to other grants and other transfers			487,267	
Emergency	To cater for unforeseen occurrences	7,056,191		Pending disbursement of funds
Bursary-Primary Schools (Special Needs)	Payment of bursary to needy students in special Institutions	2,430,121		Pending disbursement of funds
Bursary-Tertiary Institutions/Universities	Payment of bursary to needy students in tertiary institutions	889,738		Pending disbursement of funds
Sports	To cater for Regional sports	500,000		Project pending Board circular on implementation.
Muua Police Post	Completion of an Administration Block comprising of 4 offices with a ramp to cater for people with Disability; fixing of doors and windows, flooring with tiles, fixing of ceiling, Plastering and painting	1,000,000		Pending disbursement of funds
Muua Police Post	Fencing to completion of ¼ acre of Police post compound with chain link and concrete posts.	1,094,767		Pending disbursement of funds
Malili Police Post	Construction to completion of 2 Door Pit latrines with a urinal and one chamber catering for People with Disability	800,000		Pending disbursement of funds
Malili Police Post	Fencing to completion of ¼ acre of Police post compound with chain link and concrete posts	700,000		Pending disbursement of funds
Mbyani Chief's Office	Renovation to completion of the Chief's three roomed Office; Re-roofing, Door and window fitting, Tiling, Plastering and painting.	500,000		Pending disbursement of funds
Ngaamba Chief's Office	Construction to completion of a 2-Door Pit Latrine with a urinal-one door	500,000		Pending disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	catering for People with Disability.			
Sultan Hamud Chief's Office	Construction to completion of a 2-Door Pit Latrine with a urinal-one door catering for People with Disability.	500,000		Pending disbursement of funds
Sultan Hamud Police Post	Renovation to completion of the Police Administration Office comprising of 5 offices; Re-roofing, Door and window fitting, Tiling, Plastering and painting	950,000		Pending disbursement of funds
Salama Police Post	Purchase of office furniture; 4 office chairs each at Kshs. 15,000, Kshs. 60,000, 7 Black chairs each at Kshs.5000, Kshs. 35,000, 2 Office desks each at Kshs. 10,000, Kshs. 20,000, and 1 Executive office desk, Kshs. 85,000	200,000		Pending disbursement of funds
Enzai Chief's Office	Purchase of office furniture; 4 office chairs each at Kshs.15,000, Kshs. 60,000, 7 Black chairs each at Kshs.5000, Kshs. 35,000, 2 Office desks each at Kshs. 10,000, Kshs. 20,000, 1 Executive office desk, Kshs. 35,000.	150,000		Pending disbursement of funds
Malili Chief's Office	Purchase of office furniture; 4 office chairs each at Kshs.15,000, Kshs. 60,000, 7 Black chairs each at Kshs.5000, Kshs. 35,000, 2 Office desks each at Kshs. 10,000, Kshs. 20,000, and 1 Executive office desk, Kshs. 85,000	200,000		Pending disbursement of funds
Sultan Hamud Chief's Office	Purchase of office furniture; 4 office chairs each at Kshs. 15,000, Kshs. 60,000, 7 Black chairs each at Kshs.5000, Kshs. 35,000, 2 Office desks each at Kshs. 10,000, Kshs. 20,000, 1 Executive office desk, Kshs. 35,000.	150,000		Pending disbursement of funds
Ngaamba Chiefs Office	Purchase of office furniture; 4 office chairs each at Kshs. 15,000, Kshs. 60,000, 7 Black chairs each at	150,000		Pending disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	Kshs.5000, Kshs. 35,000, 2 Office desks each at Kshs. 10,000, Kshs. 20,000, 1 Executive office desk, Kshs. 35,000			
Maiani Chief's Office4 office	Purchase of office furniture; 4 office chairs each at Kshs. 15,000, Kshs. 60,000, 7 Black chairs each at Kshs.5000, Kshs. 35,000, 2 Office desks each at Kshs. 10,000, Kshs. 20,000, 1 Executive office desk, Kshs. 35,000	150,000		Pending disbursement of funds
Sub-Total		17,920,817	487,266	
Acquisition of assets		-	-	
Oversight Committee Expenses				
i. Constituency Oversight Committee Allowances	Payment of committee allowances	35,575	-	Admin Vote Balance
ii. Accommodation - Domestic Travel	Payment of Accommodation - Domestic Travel	2,850	-	Admin Vote Balance
iii. Publishing and Printing Services	Payment of Publishing and Printing Services	45,000	-	Admin Vote Balance
Sub-Total		83,425	-	
Others (<i>specify</i>)				
Constituency Strategic Plan	Preparation of a 5-Year Strategic Plan	2,000,000	-	Pending disbursement of funds
Sub-Total		2,000,000	4,000,000	
Funds pending approval				
Ikutani Kiou Access Road	Installation of 10 Culverts and construction of 2 Drifts to curb erosion on the Access Road to completion.	4,086,575		Projects were still pending approval and disbursement of funds as at 30 TH June, 2023.
Environment-Kikuyuni Sand Dam	De-silting and excavation of Kikuyuni Sand Dam.	2,626,849		Projects were still pending approval and disbursement of funds as at 30 TH June, 2023.

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Revision Materials	Purchase of Revision Books – Quick Revision Series for 92 Public Primary schools	1,500,000		Projects were still pending approval and disbursement of funds as at 30 TH June, 2023.
AIA - Unapproved	AIA raised from sale of Tenders.	10,000		Projects were still pending approval and disbursement of funds as at 30 TH June, 2023.
		8,223,425	4,000,000	
Grand Total		62,218,932	16,193,404	

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	3,000,000	-	-	3,000,000
Buildings and structures	10,487,253	-	-	10,487,253
Transport equipment	8,848,959	-	-	8,848,959
Office equipment, furniture and fittings	1,612,610	-	-	1,612,610
ICT Equipment, Software and Other ICT Assets	694,140	-	-	694,140
Other Machinery and Equipment	1,108,500	-	-	1,108,500
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	22,751,462	-	-	22,751,462

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

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
1) KAVUKO PRIMARY SCHOOL	1109427115	KCB	2,055	421,895
2) MALILI TOWNSHIP PRIMARY SCHOOL	1242859616	KCB	11,289	1,001,529
3) MUMELA PRIMARY SCHOOL	1169216153	KCB	39,071	1,624
4) TANGU PRIMARY SCHOOL	1114142697	KCB	13,571	13,571
5) ENZAI PR. SCHOOL	1112463119	KCB	318	318
6) MUUA PRIMARY SCHOOL	1114119393	KCB	1,696	1,696
7) MBIINI PRIMARY SCHOOL	1114181293	KCB	8,408	255,382
8) WATHINI PRIMARY SCHOOL	1128943816	KCB	1,678	499,703
9) ULU PRIMARY SCHOOL	1207273899	KCB	27,799	808
10) KAMAKU PRIMARY SCHOOL	1288387210	KCB	320	1,100,320
11) MUSAANI SEC SCHOOL	1107174880	KCB	139,899	139,899
12) AIC SULTAN HAMUD SECONDARY SCHOOL	1165875519	KCB	178	304
13) MUMELA SECONDARY SCHOOL	1114225517	KCB	39,323	39,323
14) KANDOLO SECONDARY SCHOOL	1136358587	KCB	20,019	20,019
15) ACK ST. STEPHEN SEC	1130554333	KCB	2,728,721	1,728,961
16) MUKAA BOYS SEC	1109472803	KCB	1,874	1,874
17) NDULUNI SECONDARY SCHOOL	1280355182	KCB	55,271	56,657
18) ULU SECONDARY SCHOOL	1166456447	KCB	240	240
19) KASIKEU BOYS SECONDARY SCHOOL	1129377865	KCB	12,933	12,933

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
20) AIC MATIANI SEC SCHOOL	1177171759	KCB	2,302	2,302
21) NGAAMBA CHIEF' S OFFICE	1282303104	KCB	4	4
22) MALILI POLICE POST	1269553372	KCB	29,514	1,220,954
23) DEPUTY COUNTY COMMISSIONER HOUSE	1290980438	KCB	1,098,810	1,000,010
24) MBIINI SECONDARY SCHOOL	1107175097	KCB	5,853	5,853
25) KWAMBEU PRIMARY SCHOOL	1112773347	KCB	1,027	346
26) NDEMIU PRIMARY SCHOOL	1128962276	KCB	357,340	1,070
Total			4,599,510	7,527,592

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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 for the concluded Audit exercise conducted for FY 2021-2022.

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)
4.1	<p>Presentation Accuracy and Disclosure in the financial statements</p> <p><i>Observations</i></p> <ol style="list-style-type: none"> 1. Casting error was noted in statement of Budget execution by sectors and projects, which shows total of previous years outstanding disbursements as Kshs. 47,932,307 instead of kshs 47,221,855. 2. Statement of cashflows shows gratuity payable as Kshs. 1,769,394 yet in Note 12B, gratuity is shown as Kshs. 0 	<ul style="list-style-type: none"> - Casting Error corrected. i.e. An Emergency Total of Ksh. 710,452 repeated in calculation formula hence the mismatch in Subtotals. - Errors/omissions noted in the Financial Statements have been corrected to conform with the prescribed format. <i>Financial Statements amended and submitted.</i> 	Resolved	17.05.2023
4.2	<p>Failure to Submit Bank Reconciliation Statements to National Treasury</p> <p><i>Observations</i></p> <ul style="list-style-type: none"> ▪ Review of the bank reconciliation statements for the financial year under review found that bank reconciliations are regularly done and checked by senior officers as required by the law. 	<p><i>Management response</i></p> <p>The management confirmed that bank reconciliations are submitted to the National Treasury through the NG-CDF Board. There was also evidence that a copy was circulated to Auditor-General as required under Section 90. (1) of Public Finance Management (National Government) regulations 2015).</p>	Resolved	17.05.2023
4.3	<p>Unspent PMC Balances Not Returned to Constituency Account</p> <p><i>Observations</i></p> <p>Review of Annex 5 on PMC bank Account balances revealed that Kshs. 883,828.40 relate to seventeen (54) projects which had been completed but unspent amounts had not been transferred back to Main NGCDF Account as required by law.</p>	<ul style="list-style-type: none"> ▪ The Management acknowledges the failure to comply to the provided Regulation that all unspent Balances to be transferred back to the Main NG-CDF Account. ▪ However, Since we are now well advised on the same, We shall immediately communicate to the Banks where the PMC accounts for all completed projects are held, for immediate closure of existing accounts and transfer of all unspent funds to the Main NG-CDF Kilome Account held at KCB-Emali Branch. 	Resolved	17.05.2023

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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)
4.4	<p>Wrong Classification of Expenditure Observations The statement of Receipts and Payments and Note 5 to the financial statements reflects an expenditure of Kshs. 9,655,455.00 for use of goods and services which included Kshs.1,220,000 for Domestic Travel and subsistence, Kshs.1,362,258.00 for Training expenses, Kshs.1,010,000 for Other operating expenses, and Kshs. 292,630 for Hospitality supplies and services. However, Items in the ledger amounting to Kshs. 530,000, Kshs. 660,000, Kshs. 550,000, and Kshs. 172,000 had been wrongly classified to Domestic Travel and subsistence, Training expenses, Other operating expenses, and Hospitality supplies and services respectively, thereby overstating the expenditure items.</p>	<ul style="list-style-type: none"> The Management confirmed that the all the highlighted payments were paid from the Administration vote and M&E respectively. <p>Both Administration and M&E have Vote sub-heads for both goods and Services, NG-CDFC Committee Expenses.</p> <p>The payments in subject have however been corrected to align with the appropriate Vote heads, hence the expenditure items are no longer overstated.</p>	Resolved	17.05.2023
4.5	<p>Failure to Report emergency projects to NGCDF Board Observation Reported in the statement of receipts and payments and as disclosed in note 7 to the financial statements is Kshs. 114,360,810 other grants and transfers. In this figure is Kshs. 7,887,260 being emergency projects. There was no evidence presented for audit review to show the NGCDF had reported any emergency project to the NGCDF Board within 30 days of the occurrence of Emergency, as stipulated in regulation 20(2) of the National Government Constituency Development Fund Regulations, 2016.</p> <p>In addition, money from emergency reserves was used to fund project which had fully been funded but had stalled after full exhaustion to their budget before they were fully complete. This was done without first seeking board approval on re-allocation of funds.</p>	<p>Management Response</p> <ul style="list-style-type: none"> NG-CDFC communicates to the board on emergency projects on quarterly basis. Attached reports done to the board reporting such emergencies. 	Resolved	17.05.2023

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 Name: Josefrida Kameti
 Fund Account Manager



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