


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 25 SEP 2024 | DAY: WEDNESDAY |
| TABLED BY: | DEPUTY MAJORITY LEADER |
| CLERK-AT THE-TABLE: | Joyce L. |

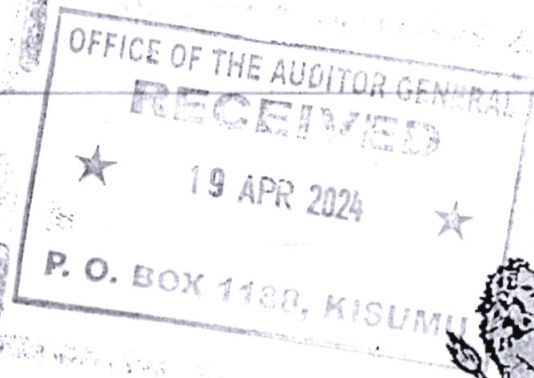
OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
VIHIGA CONSTITUENCY**

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



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

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

2. 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;

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

- 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 VIHIGA 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 | Joe Godwin Oduor |
| 2. | Sub-County Accountant | Henry Okumu |
| 3. | Chairman NGCDFC | James Mundia |
| 4. | Member NGCDFC | Dick Atsiaya |

(c) Fiduciary Oversight Arrangements

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

P.O. Box 198-50310
Vihiga ACC's Office Grounds
Majengo – Luanda Highway
Vihiga, KENYA

(e) VIHIGA Constituency NGCDF Contacts

Telephone: (254) 725371259
E-mail: cdfvihiga@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) VIHIGA Constituency NGCDF Bankers

Vihiga CDF Cooperative Bank of Kenya
A/C No. 01141471496600
P.O.Box 816 - 50300
Maragoli, Kenya

(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

3. NG-CDFC Chairman's Report



The NG-CDF Vihiga is grateful for the financial year that has been. The committee had a budget of Kes. 138,215,033 to finance National Government projects in addition to other statutory. The NG-CDFC Vihiga final budget on actual comparable basis is as per the chart below:-

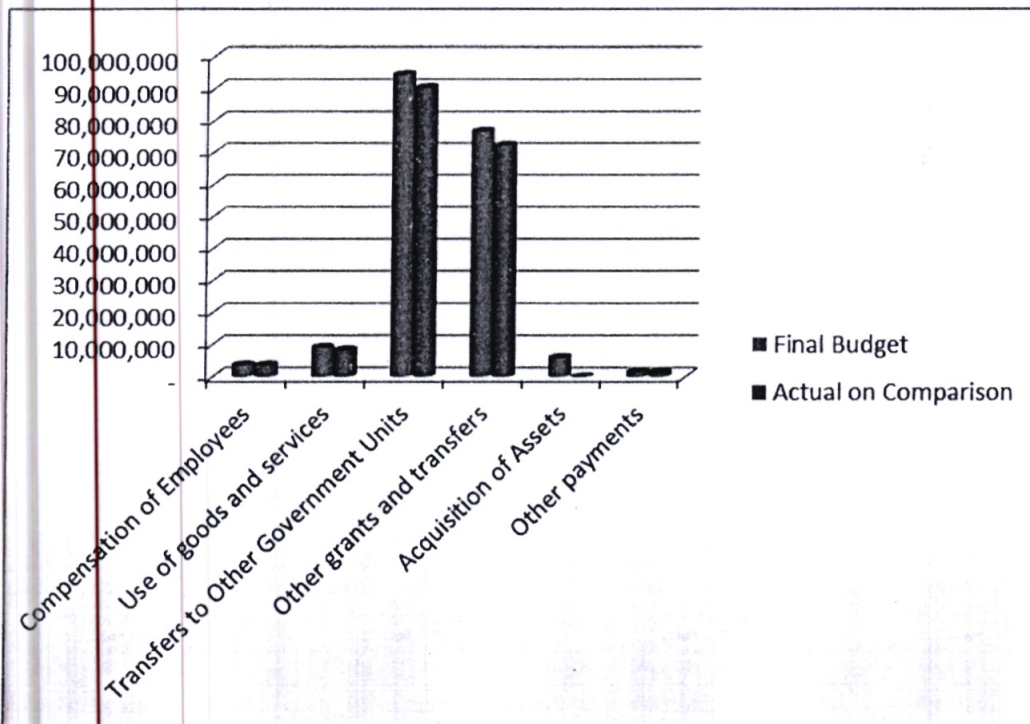


Figure 1: Final budget on actual comparable basis

The NG-CDF has improved education and security infrastructure in Vihiga besides bursaries allocation to needy and deserving students. This is evidenced by comparison on bursary allocation and disbursed of the last financial year.

However, emerging issues like political, economic, social, legal and global challenges influence the implementation of NG-CDF projects. Other issue include late disbursement of funds, re-allocation

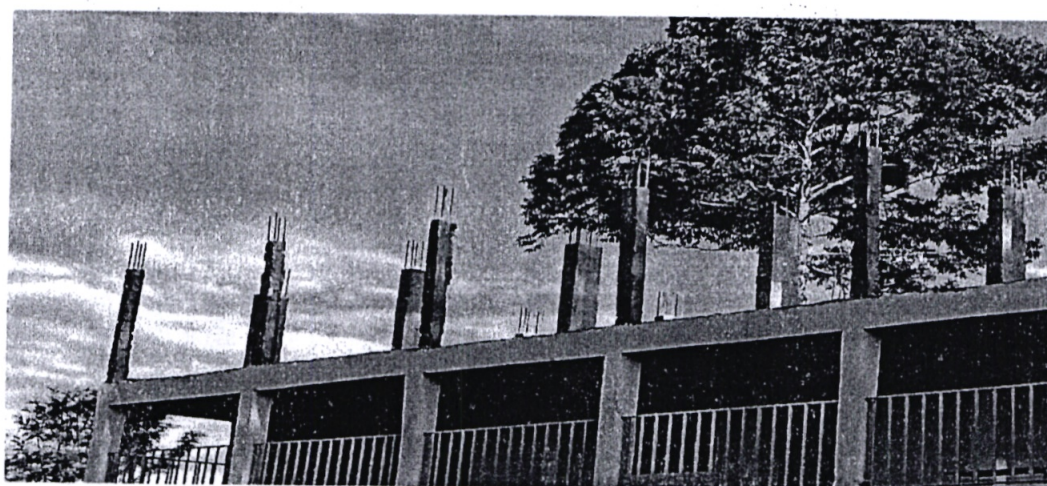
*Vihiga Constituency
National Government Constituencies Development Fund (NGCDF)
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of project. As at 30th June, 2023, Kshs.12, 088,879 meant for financial year 2020/2021 had not been disbursed to the Constituency. Kshs. 44,178,925.00 which was meant for financial year 2022/23 had not been disbursed by the closer of the year 2023. The committee requests the Board to kindly disburse the remaining amount early to enable Vihiga constituents realize the much needed development. Within this financial year Vihiga NGCDFC had twenty three (23) meetings including sub-committee meetings.

PROJECT PHOTOS



MASANA SECONDARY SCHOOL. CONSTRUCTION OF TUITION AND ADMIN BLOCK



VIGINA SECONDARY SCHOOL .ADMIN AND TUITION BLOCK



INSTALLATION OF 10,000 LITRES TANK IN PRIMARY SCHOOLS

A handwritten signature in black ink, consisting of a stylized, cursive script.

.....
Name
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

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

a) Education

The NG-CDF Vihiga takes education and matters education very serious components to achieve development. It has in the past improved existing infrastructure and put in both secondary and primary school. This has in turn improved performance among learners besides increased enrolment as learning environment in now conducive. To ensure 100% transition from one level of learning to another, Vihiga NG-CDFC has come with a bursary awarding system that's all inclusive. Bright but vulnerable students are identified through our bursary committee and fully sponsored.

b) Health care

It's said that a 'Healthy Nation is a Wealthy Nation, and as so Vihiga is not relenting on matters health. Our bursary committee working closely with area Chiefs and other relevant bodies, has identified elderly persons within the Constituency and had them registered to benefit in our social health scheme that intends to pay for medical cover (NHIF) through our soon to be implemented social security fund.

c) Environment, Water and Sanitation

The major environmental activity of Vihiga NG-CDF has been tree planting. This has been done over a period to increase forest cover, attract rain, provide habitat for other living things living in forests and of course to reduce pollution. We have started incorporating other activities like construction of toilets and purchase and installation of water tanks in environmental activities. These have gone a long way in keeping our environment clean and healthy besides providing clean water for drinking and domestic use.

d) Security

Development is achievable if its secure and put safe. The Vihiga NG-CDFC has improved infrastructure and put in place new ones at Chiefs' offices / camps, AP camps and police stations within the Constituency. NG-CDF is always ready to equip and facilitate the security agencies' activities if called upon.

e) Sports

Sports and sporting activities are incorporated in our development agenda because through sporting activities, youth realize their talents and able to display them for personal and communal gain. Youth groups, existing and new sports clubs are identified through such activities and empowered therefore reducing dependency. Sports keep the youth busy thus have no time for social evils seen to be on the rise.

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:

| Objective | Outcome | Indicator | Remarks |
|-------------|---|---|--|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | <ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels In FY 2022/23 -we increased number of classrooms by 6, dormitories by 2, - About 3,000 bursary beneficiaries at all levels benefitted |
| Security | To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office To have modern police stations and posts at the Constituency | Access to quality services Reduced crime rate | <ul style="list-style-type: none"> - number of usable physical infrastructure build at the locational levels - Number of crimes reported 6 Chiefs' offices and DCC's office were equipped with furniture 1 AP camp facilities was constructed |
| Environment | To have health and clean environment | Access to good health and sanitation | <ul style="list-style-type: none"> - Number of Indigenous trees planted - Number of sanitary facilities constructed 13 plastic tanks (10,000 ltrs) distributed to public institutions as planned 7 pit latrines constructed in public institutions as planned |
| Sports | Harnessing youth and women talent | Increased youth and women talents | <ul style="list-style-type: none"> - Numbers of tournaments held 10 new youth groups identified and empowered |
| Emergency | Catering for any | Preparedness to | <ul style="list-style-type: none"> - Number of Vihiga NGCDF |

| | | | | |
|--|--|------------------------|--|--|
| | unforeseen occurrences in the Constituency | unforeseen occurrences | unforeseen occurrences in the constituency | committee allocated Kshs. 7,636,190, million under the emergency kitty to cater for unforeseen occurrences |
|--|--|------------------------|--|--|

5. Environmental and Sustainability Reporting

Vihiga NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of Vihiga NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

Vihiga 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

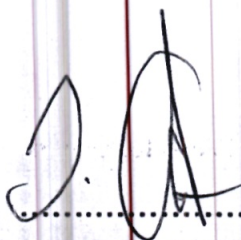
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



.....

Name: Joe Godwin Oduor

FAM

6. Statement of Governance

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-Vihiga 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.

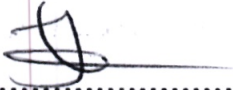
The Accounting Officer in charge of the NGCDF-Vihiga Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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- Vihiga 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 Vihiga Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a

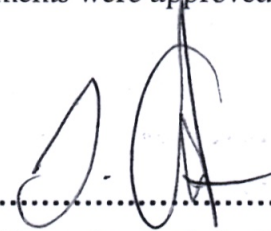
form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

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



.....
Name: James Mundia
Chairman – NGCDF Committee



.....
Name: Joe Godwin Oduor
Finance Account Manager

7. 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.

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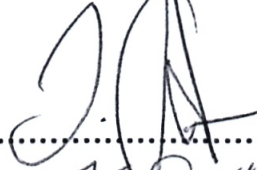
form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

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



.....
Name:
Chairman – NGCDF Committee



.....
Name: Joe Godwin Oduma
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - VIHIGA 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 - Vihiga Constituency set out on pages 21 to 68,

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

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 as at 30 June, 2023 and 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Training Expenses

The statement of receipts and payments reflects an expenditure of Kshs.4,843,088 in respect of use of goods and services as disclosed in Note 6 to the financial statements which includes an amount of Kshs.789,100 relating to training expenses. However, expenses amounting to Kshs.561,700 were not supported with payment vouchers.

In the circumstances, the accuracy and completeness of the training expenses amounting to Kshs.561,700 could not be confirmed.

2. Unsupported Committee Expenses

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an expenditure of Kshs.2,192,612 in respect to committee expenses. Sampled committee expenses revealed that Management incurred Kshs.367,000 on airtime. However, the policy governing issuance of airtime to staff and the distribution for the airtime purchased was not provided for audit. Further, the committee expenditure included fuel payments of Kshs.120,296. However, fuel records supporting the expenses were not provided for audit.

In the circumstances, the accuracy and completeness of committee expenses amounting to Kshs.2,192,612 could not be confirmed.

3. Unsupported Project Management Committee Balances

Note 19.4 to the financial statements reflects Project Management Committee (PMC) bank balances totalling Kshs.1,582,077 which differs with Annex 5 balance of Kshs.1,155,163 resulting to an unexplained variance of Kshs.426,914. Further, the cash books, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.1,582,077 could not be confirmed.

4. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.50,674,000 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.38,484,500, Kshs.4,853,000 and Kshs.536,000 disbursed to secondary schools, tertiary institutions and special schools respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.43,874,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Vihiga 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 a comparable basis of Kshs.153,395,138 and Kshs.60,091,226 respectively resulting to an under-funding of Kshs.93,303,912 or 61% of the budget. However, the Fund spent a balance of Kshs.59,924,398 against actual receipts of Kshs.60,091,226 resulting to an under-utilization of Kshs.166,828.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. The

report on progress on follow-up of the auditor's recommendations in the financial statements indicates that all issues had been resolved. However, Management has not resolved all the issues or given explanation for failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregularities in the Procurement Process

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects an expenditure of Kshs.50,674,000 on other grants and transfers which includes an amount of Kshs.1,400,000 spent on security projects. Review of project records maintained by the Fund Management revealed Kshs.1,400,000 was used to procure furniture for Lugaga Chief's Office, Kegoye AP Camp, Lyavora AP Camp, Busamo Chief's Office and Office of the Deputy County Commissioner from two (2) firms. Review of the project file and procurement process revealed the following inaccuracies:-

- (i) There was no evidence of appointment of both opening and evaluation committees contrary to Section 78 and 80 of the Public Procurement and Asset Disposal Act, 2015.
- (ii) Minutes of both the opening and evaluation committees were not provided for audit contrary to Section 78 and 80 of the Public Procurement and Asset Disposal Act, 2015.
- (iii) There was no professional opinion by the Head of Procurement provided for audit contrary to Section 84 of the Public Procurement and Asset Disposal Act, 2015.
- (iv) There was no evidence of approval of the award contrary to Section 85 of the Public Procurement and Asset Disposal Act, 2015.
- (v) The payments were not supported with delivery notes, invoices and reports of inspection and acceptance committees and receiving S13s.
- (vi) There was no evidence that the furniture procured was received and distributed to Chiefs' Office.

In the circumstances, value for money on security expenditure amounting to Kshs.1,400,000 could not be confirmed. Further, Management was in breach of the law.

2. Delay in Remittance of Statutory Deductions

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees amounting to Kshs.2,214,698. However, review of statutory deductions records revealed that Management delayed in remitting the statutory deductions in respect to PAYE, NSSF and NHIF of Kshs.7,840, Kshs.182,620 and Kshs.92,450, respectively during the year under review.

In the circumstances, the delay in remitting statutory deductions may lead to payment of interest and penalties.

3. Unsupported Remittance of Statutory Deductions

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees amounting to Kshs.2,214,698. However, review of statutory deductions records revealed that there was no evidence that Management remitted monthly statutory deductions for PAYE, NSSF and NHIF of Kshs.7,330, Kshs.177,380 and Kshs.33,950, respectively during the year under review.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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

Lack of an Oversight Committee

During the year under review, the Fund did not have in place an Oversight Committee to convene public forums for purposes of mobilizing and sensitizing target groups on any matter related to the Fund and soliciting views, opinions and proposals from the public in regard to the Fund and presenting the views and opinions to the National Assembly. Management explained that the Members had been appointed. However, the gazettelement had not been done at the time of audit in March, 2024.

In the circumstances, the functions of the Oversight Committee of mobilizing and sensitizing target groups and soliciting views, opinions and proposals from the public was not achieved.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's

ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

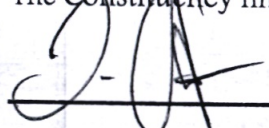
24 June, 2024

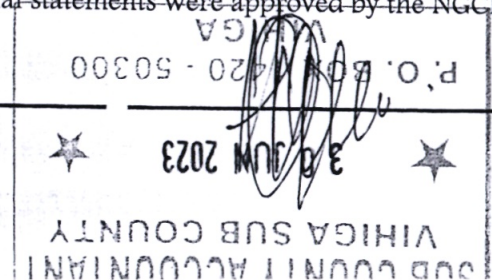
9. Statement of Receipts and Payments for the Year Ended 30th June 2023

| | Note | 2022-2023 | 2021-2022 |
|-------------------------------------|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Receipts | | | |
| Transfers From NGCDF Board | 1 | 57,000,000 | 170,088,879 |
| Proceeds From Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | 1,000,000 |
| Total Receipts | | 57,000,000 | 171,088,879 |
| Payments | | | |
| Compensation Of Employees | 4 | 2,214,698 | 3,723,727 |
| Committee expenses | 5 | 2,192,612 | 2,349,000 |
| Use Of Goods and Services | 6 | 4,843,088 | 6,025,406 |
| Transfers To Other Government Units | 7 | - | 90,293,760 |
| Other Grants and Transfers | 8 | 50,674,000 | 72,224,133 |
| Acquisition Of Assets | 9 | - | - |
| Oversight Committee Expenses | 10 | - | - |
| Other Payments | 11 | - | 1,500,000 |
| Total Payments | | 59,924,398 | 176,116,026 |
| Surplus/(Deficit) | | (2,924,398) | (5,027,147) |

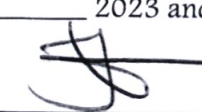
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

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





 P.O. BOX 1420 - 50300
 VIIHIGA
 30 JUN 2023
 VIIHIGA SUB COUNTY
 NGCDF ACCOUNTANT



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

Fund Account Manager

**National Sub-County
Accountant**

**Chairman NG-CDF
Committee**

Name: Joe Godwin Oduor

**Name: Henry Okumu
ICPAK M/No:**

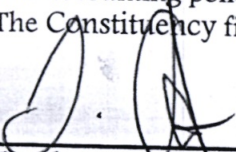
Name: James Mundia

10. 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 | 166,828 | 3,091,226 |
| Cash Balances (Cash at Hand) | 12B | - | - |
| Total Cash and Cash Equivalents | | 166,828 | 3,091,226 |
| Accounts Receivable | | | |
| Outstanding Imprests | 13 | - | - |
| Total Financial Assets | | 166,828 | 3,091,226 |
| Financial Liabilities | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 14A | - | - |
| Gratuity | 14B | - | - |
| Total Financial Liabilities | | 166,828 | 3,091,226 |
| Net Financial Assets | | 166,828 | 3,091,226 |
| Represented By | | | |
| Fund Balance B/Fwd | 15 | 3,091,226 | 8,118,373 |
| Prior Year Adjustments | 16 | - | - |
| Surplus/Deficit for The Year | | (2,924,398) | (5,027,147) |
| Net Financial Position | | 166,828 | 3,091,226 |

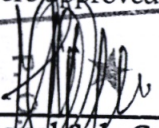
VIIHA Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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 NGCDFC on _____ 2023 and signed by:



Fund Account Manager

Name: Joe Godwin Oduor



National/Sub-County
Accountant
30 JUN 2023
ICPAK/M/No. 50300
SUB-COUNTY ACCOUNTANT
VIIHA SUB-COUNTY

Name: Henry Okumu
ICPAK/M/No.



Chairman NG-CDF
Committee

Name: James Mundia

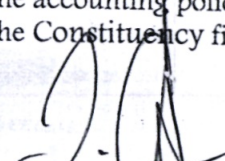
11. Statement Of Cash Flows for The Year Ended 30th June 2023

| | Notes | 2022-2023 | 2021-2022 |
|--|-------|--------------------|--------------------|
| | | Kshs | Kshs |
| Receipts From Operating Activities | | | |
| Transfers From NGCDF Board | 1 | 57,000,000 | 171,088,879 |
| Other Receipts | 3 | - | - |
| Total Receipts | | 57,000,000 | 171,088,879 |
| Payments | | | |
| Compensation Of Employees | 4 | 2,214,698 | 3,723,727 |
| Committee Expenses | 5 | 2,192,612 | 2,349,000 |
| Use Of Goods and Services | 6 | 4,843,088 | 6,025,407 |
| Transfers To Other Government Units | 7 | - | 90,293,760 |
| Other Grants and Transfers | 8 | 50,674,000 | 72,224,133 |
| Oversight Committee Expenses | 10 | - | - |
| Other Payments | 11 | - | 1,500,000 |
| Total Payments | | 59,924,398 | 176,116,026 |
| Total Receipts Less Total Payments | | (2,924,398) | (5,027,147) |
| Adjusted For: | | | |
| Prior Year Adjustments | 16 | - | - |
| Decrease/ (Increase) In Accounts Receivable | 17 | - | - |
| Increase/ (Decrease) In Accounts Payable | 18 | - | - |
| Net Cash Flow from Operating Activities | | (2,924,398) | (5,027,147) |

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

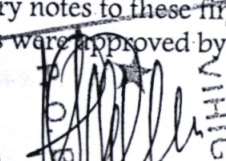
| | | | |
|--|----|--------------------|--------------------|
| Cashflow From Investing Activities | | | |
| Proceeds From Sale of Assets | 2 | - | - |
| Acquisition Of Assets | 9 | - | - |
| Net Cash Flows from Investing Activities | | - | - |
| Net Increase In Cash And Cash Equivalent | | (2,924,398) | (5,027,147) |
| Cash & Cash Equivalent At Start Of The Year | 12 | 3,091,226 | 8,118,373 |
| Cash & Cash Equivalent At End Of The Year | 12 | 166,828 | 3,091,226 |

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 NGCDF on _____ 2023 and signed by:

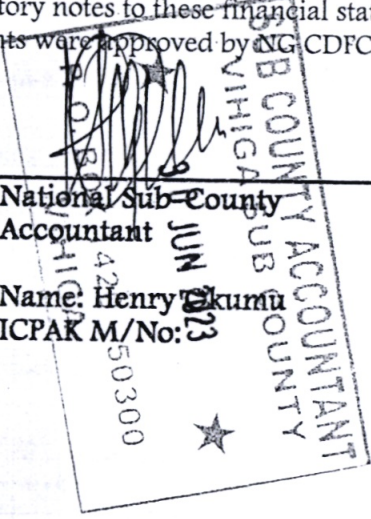


Fund Account Manager


Name: Joe Godwin Oduor



National Sub-County Accountant


 VIHIGA COUNTY ACCOUNTANT
 JUN 2023
 ICPAK M/No: 50300

Name: Henry Skumu
ICPAK M/No: 50300



Chairman NG-CDF Committee

Name: James Mundia

12. 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 | | | | |
| | 2022/2023 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding disbursements | 2022/2023 | 2022/2023 | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Receipts | | | | | | | |
| Transfers From NGCDF Board | 138,215,033 | 3,091,226 | 12,088,879 | 153,395,138 | 60,091,226 | 93,303,912 | 39.2% |
| Proceeds From Sale of Assets | - | - | - | - | - | - | |
| Other Receipts | - | - | - | - | - | - | |
| Totals | 138,215,033 | 3,091,226 | 12,088,879 | 153,395,138 | 60,091,226 | 93,303,912 | 39.2% |
| Payments | | | | | | | |
| Compensation of Employees | 4,060,000 | 31,124 | - | 4,091,124 | 2,214,698 | 1,876,426 | 54% |
| Committee expenses | 2,855,000 | | | 2,855,000 | 2,192,612 | 662,388 | 77% |
| Oversight Committee | 1,382,150 | - | - | 1,382,150 | - | 1,382,150 | 0% |
| Use of goods and services | 4,142,197 | 733,340 | - | 4,875,536 | 4,843,088 | 32,448 | 99% |
| Transfers to Other Government Units | 17,729,527 | - | 4,000,000 | 21,729,527 | - | 21,729,527 | 0% |
| Other grants and transfers | 61,510,052 | 2,326,763 | 2,088,879 | 65,925,694 | 50,674,000 | 15,251,694 | 77% |
| Acquisition of Assets | 6,000,000 | - | 6,000,000 | 12,000,000 | - | 12,000,000 | 0% |
| Other Payments | 3,500,000 | - | - | 3,500,000 | - | 3,500,000 | 0% |
| Un Approved funds | 37,036,107 | - | - | 37,036,107 | - | 37,036,107 | 0% |
| Totals | 138,215,033 | 3,091,226 | 12,088,879 | 153,395,138 | 59,924,398 | 93,470,740 | 39% |

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

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

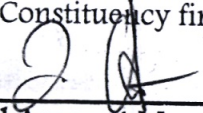
Explanatory Notes.

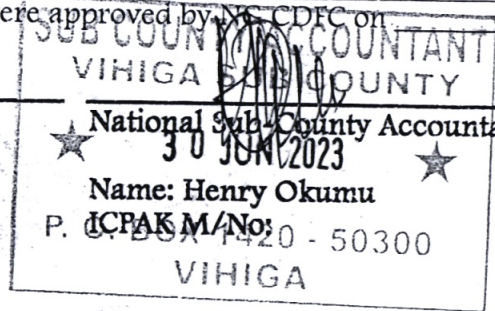
- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]


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

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|--|----------------|
| Description | Amount |
| Budget utilisation difference totals | 93,470,741 |
| Less undisbursed funds receivable from the Board as at 30 th June 2023 | 93,303,912 |
| | 166,828 |
| Increase/ (decrease) Accounts payable | - |
| (Decrease)/Increase Accounts Receivable | - |
| Add/Less Prior Year Adjustments | - |
| Cash and Cash Equivalents at the end of the 30 th June 2023 | 166,828 |

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


Fund Account Manager
Name: Joe Godwin Oduor


Sub County Accountant
VIHIGA SUB COUNTY
 National Sub-County Accountant
 30 JUN 2023
Name: Henry Okumu
 P. O. BOX 1420 - 50300
VIHIGA


Chairman NG-CDF Committee
Name: James Mundia

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

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 4,060,000 | 31,124 | - | 4,091,124 | 2,214,698 | 1,876,426 |
| 1.2 Committee allowances | 1,216,000 | - | - | 1,216,000 | 1,501,300 | (285,300) |
| 1.3 Use of goods and services | 3,016,901 | 733,340 | - | 3,750,241 | 3,492,989 | 257,252 |
| Sub - Total | 8,292,901 | 764,464 | - | 9,057,365 | 7,208,987 | 1,848,378 |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 1,032,150 | - | - | 1,032,150 | 789,100 | 243,050 |
| 2.2 Committee allowances | 1,680,000 | - | - | 1,680,000 | 1,051,312 | 628,688 |
| 2.3 Use of goods and services | 1,434,301 | - | - | 1,434,301 | 200,999 | 1,233,302 |
| Sub - Total | 4,146,451 | - | - | 4,146,451 | 2,041,411 | 2,105,040 |
| Emergency | | | | | | |
| 3.1 Primary Schools | - | - | - | - | - | - |
| Visiru Primary School | - | - | - | - | 600,000 | (600,000) |
| Chauzuva Primary School | - | - | - | - | 600,000 | (600,000) |
| Mahanga Primary School | - | - | - | - | 600,000 | (600,000) |
| Itonji Primary School | - | - | - | - | 600,000 | (600,000) |
| Lyamidi Primary School | - | - | - | - | 600,000 | (600,000) |
| Kerongo Primary School | - | - | - | - | 1,300,000 | (1,300,000) |

*VIHIGA 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 | | | |
| Limpid Ventures Ltd | - | - | - | - | 491,378 | (491,378) |
| Comm of VAT | - | - | - | - | 8,622 | (8,622) |
| Sub - Total | - | - | - | - | 4,800,000 | (4,800,000) |
| 3.2 Secondary schools | | | | | | |
| Chavavo Secondary School | - | - | - | - | 600,000 | (600,000) |
| Sub - Total | - | - | - | - | 600,000 | (600,000) |
| 3.3 Tertiary institutions | - | - | - | - | - | - |
| 3.4 Security projects | - | - | - | - | - | - |
| 3.5 Unutilised | 7,636,190 | 560,207 | - | 8,196,397 | - | 8,196,397 |
| Sub - Total | 7,636,190 | 560,207 | - | 8,196,397 | 4,900,000 | 2,796,397 |
| 4.0 Bursary and Social Security | | | | | | |
| 4.1 Secondary Schools | 36,411,904 | 26,799 | - | 36,438,703 | 38,484,500 | (2,752,797) |
| 4.2 Tertiary Institutions | 10,952,249 | 323,650 | - | 11,275,899 | 4,853,500 | 6,257,399 |
| 4.3 Social Security | - | - | - | - | - | - |
| 4.4 Special Needs | 981,109 | 16,106 | - | 997,215 | 536,000 | 461,215 |
| Sub - Total | 48,345,261 | 366,555 | - | 48,711,817 | 43,874,000 | 3,965,817 |
| 5.0 Sports | | | | | | |
| 5.1 constituency sport | 2,764,300 | - | 2,088,879 | 4,853,179 | - | 4,853,179 |
| Sub - Total | 2,764,300 | - | 2,088,879 | 4,853,179 | - | 4,853,179 |
| 6.0 Environment | | | | | | |

VIHIGA 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 | | | |
| Chandgunyi primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Chango primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Chavavo primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Embaga primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Got kabindi primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Igakala primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Kisienya primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Kitumba primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| KMTC Vihiga | 212,638 | - | - | 212,638 | - | 212,638 |
| Lusavasavi primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Lyamidi primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Magui primary school | 212,640 | - | - | 212,640 | - | 212,640 |
| Vomulalu primary school | 212,638 | - | - | 212,638 | - | 212,638 |
| Sub - Total | 2,764,296 | - | - | 2,764,296 | - | 2,764,296 |
| 7.0 Primary Schools Projects (List all the Projects) | | | | | | |
| Sub - Total | - | - | - | - | - | - |
| 9.0 Secondary Schools Projects (List all the Projects) | | | | | | |
| Chango secondary school | 5,518,070 | - | - | 5,518,070 | - | 5,518,070 |

*Vihiga Constituency
National Government Constituencies Development Fund (NGCDF)
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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|-------------------|--------------------------------|---|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| chavavo secondary school | 3,340,000 | - | 2,000,000 | 5,340,000 | - | 5,340,000 |
| Ikumba secondary school | 5,000,294 | - | - | 5,000,294 | - | 5,000,294 |
| Kidinye secondary school | 871,089 | - | - | 871,089 | - | 871,089 |
| Madira girls | 3,000,074 | - | 2,000,000 | 5,000,074 | - | 5,000,074 |
| Masana secondary school | 4,897,268 | - | - | 4,897,268 | - | 4,897,268 |
| Vigina secondary school | 4,138,839 | - | - | 4,138,839 | - | 4,138,839 |
| Kitumba secondary school | 4,000,000 | - | - | 4,000,000 | - | 4,000,000 |
| Sub - Total | 30,765,634 | - | 4,000,000 | 34,765,634 | - | 34,765,634 |
| 10.0 Tertiary institutions Projects (List all the Projects) | | | | | | |
| Kmtc Vihiga | 24,000,000 | - | - | 24,000,000 | - | 24,000,000 |
| Sub - Total | 24,000,000 | - | - | 24,000,000 | - | 24,000,000 |
| 11.0 Security Projects | | | | | | |
| Busamo Chiefs Office | - | 300,000 | - | 300,000 | 300,000 | - |
| Kegoye Administration Police Camp | - | 300,000 | - | 300,000 | 300,000 | - |
| Lugaga Chiefs Office | - | 300,000 | - | 300,000 | 300,000 | - |
| Lyavora Administration Police Camp | - | 300,000 | - | 300,000 | 300,000 | - |
| Office of the Deputy DCC | - | 200,000 | - | 200,000 | 200,000 | - |
| Sub - Total | - | 1,400,000 | - | 1,400,000 | 1,400,000 | - |

VII - A - Continuation
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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference |
|--|--------------------|--------------------------------|---|--------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/BK) and AIA | Previous Years' Outstanding Disbursements | | | |
| 12.0 Acquisition of assets | | | | | | |
| Vihiga NGCDF Motor Vehicle | 6,000,000 | - | 6,000,000 | 12,000,000 | - | 12,000,000 |
| Sub - Total | 6,000,000 | - | 6,000,000 | 12,000,000 | - | 12,000,000 |
| 13.0 Oversight Committee Expenses (itemize) | | | | | | |
| 13.1 Committee allowances | - | - | - | - | - | - |
| 13.2 Use of goods and services | - | - | - | - | - | - |
| Sub - Total | - | - | - | - | - | - |
| 14.0 Others | | | | | | |
| 14.1 Strategic Plan | 3,500,000 | - | - | 3,500,000 | - | 3,500,000 |
| Sub - Total | 3,500,000 | - | - | 3,500,000 | - | 3,500,000 |
| 15.0 unallocated fund | | | | | | |
| 15.1 Unapproved projects | - | - | - | - | - | - |
| 15.2 AIA | - | - | - | - | - | - |
| 15.3 PMC savings | - | - | - | - | - | - |
| Sub - Total | - | - | - | - | - | - |
| Total | 138,215,033 | 3,091,226 | 12,088,879 | 153,395,138 | 59,924,398 | 93,470,740 |

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

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2023 for the period 1st July 2023 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.

Vihiga Constituency
National Government Constituencies Development Fund (NGCDF)
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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

| Description | 2022-2023 | 2021-2022 |
|------------------|----------------------|--------------------|
| NGCDF Board | Kshs | Kshs |
| AIE NO. B 105320 | - | 33,000,000 |
| AIE NO. B 105704 | - | 34,000,000 |
| AIE NO. B 105721 | - | 16,000,000 |
| AIE NO. B 128730 | - | 17,000,000 |
| AIE NO. B 163892 | - | 14,000,000 |
| AIE NO. B 154236 | - | 15,000,000 |
| AIE NO. B 154453 | - | 18,000,000 |
| AIE NO. B 155508 | - | 23,088,879 |
| AIE NO. B185286 | 7,000,000 | - |
| AIE NO. B185436 | 6,000,000 | - |
| AIE NO. B185808 | 15,000,000 | - |
| AIE NO. B206213 | 5,000,000 | - |
| AIE NO. B205630 | 12,000,000 | - |
| AIE NO. B205926 | 12,000,000 | - |
| TOTAL | 57,000,000.00 | 170,088,879 |

2. Proceeds From Sale of Assets

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

3. Other Receipts

| | 2022-2023 | 2021-2022 |
|-------------------|-----------|-----------|
| | Kshs | Kshs |
| Interest Received | - | - |

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| | | |
|---|---|------------------|
| Rents | - | - |
| Receipts from sale of tender documents | - | - |
| Hire of plant/equipment/facilities | - | - |
| Unutilized funds from PMCs | - | 1,000,000 |
| Other Receipts Not Classified Elsewhere | - | - |
| Total | - | 1,000,000 |

VIHIGA Constituency
National Government Constituencies Development Fund (NGCDF)
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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

| | 2022-2023 | 2021-2022 |
|--|---------------------|------------------|
| | Kshs | Kshs |
| NG-CDFC Basic staff salaries | 2,101,278.00 | 3,528,167 |
| Personal allowances paid as part of salary | - | - |
| House Allowance | - | - |
| Transport Allowance | - | - |
| Leave allowance | - | - |
| Gratuity to contractual employees | - | - |
| Employer Contributions Compulsory national social security schemes | 113,420.00 | 195,560 |
| Total | 2,214,698.00 | 3,723,727 |

5. Committee Expenses

| | 2022-2023 | 2021-2022 |
|--------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Sitting allowance | 1,501,300.00 | 1,499,000 |
| Other committee expenses | 691,312.00 | 850,000 |
| Total | 2,192,612.00 | 2,349,000.00 |

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6. Use of Goods and services

| | 2022-2023 | 2021-2022 |
|--|---------------------|------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 25,000.00 | 31,406 |
| Communication, supplies and services | 102,150.00 | 19,770 |
| Domestic travel and subsistence | 360,000.00 | - |
| Printing, advertising and information supplies & services | 371,689.00 | - |
| Rentals of produced assets | - | - |
| Training expenses | 789,100.00 | 1,694,000 |
| Hospitality supplies and services | 200,999.00 | - |
| Insurance costs | - | - |
| Specialised materials and services | - | - |
| Office and general supplies and services | 2,740,150.00 | 3,930,000 |
| Fuel , oil & lubricants | - | - |
| Other operating expenses | - | - |
| Bank Charges | 44,000.00 | 77,231 |
| Security operations | 210,000.00 | 273,000 |
| Routine maintenance - vehicles and other transport equipment | - | - |
| Routine maintenance- other assets | - | - |
| Total | 4,843,088.00 | 6,025,407 |

Notes to the Financial Statement Continued

14. Retention and Gratuity

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

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

15. Fund Balance B/F

| | (1st July 2022) | (1st July 2021) |
|-------------------------------------|-----------------------------------|-----------------------------------|
| | Kshs | Kshs |
| Bank accounts | 3,091,226.00 | 8,118,373 |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | 3,091,226.00 | 8,118,373 |
| Less | | |
| Payables: - Retention | - | - |
| Payables - Gratuity | - | - |
| Fund Balance Brought Forward | 3,091,226.00 | 8,118,373 |

[Provide short appropriate explanations as necessary]

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16. Prior Year Adjustments

| | Balance b/f as per Audited Financial statements | Adjustments | Adjusted Balance** BF |
|--------------------------|--|-------------|--------------------------|
| Description of the error | Kshs | Kshs | Kshs |
| Bank account Balances | 3,091,226.00 | | 8,118,373 |
| Cash in hand | - | - | - |
| Accounts Payables | - | - | - |
| Receivables | - | - | - |
| Others (specify) | - | - | - |
| Total | 3,091,226.00 | - | 8,118,373 |

** 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) | 2,497,400.00 | - |
| Imprest surrendered during the Year (C) | 2,497,400.00 | - |
| closing accounts in account receivables D= A+B-C | - | - |
| Net changes in accounts Receivables D - A | - | - |

18. Changes In Accounts Payable – Deposits and Retentions

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

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

| | 2022-2023 | 2021-2022 |
|------------------|-----------|-----------|
| | Kshs | Kshs |
| NGCDFC Staff | - | - |
| Others (specify) | - | - |
| Total | - | - |

19.3: Unutilized Fund (See Annex 3)

| | 2022-2023 | 2021-2022 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Compensation of employees | 1,876,425.50 | 31,123.00 |
| Committee expense | 662,388.00 | - |
| Use of goods and services | 32,448.48 | 733,339.00 |
| Amounts due to other Government entities (see attached list) | 58,765,634.00 | 4,000,000.00 |
| Amounts due to other grants and other transfers (see attached list) | 15,251,695.05 | 4,415,643.00 |
| Acquisition of assets | 12,000,000.00 | 6,000,000.00 |
| Oversight Committee Expenses | 1,382,150.00 | - |
| Other Payments (specify) | 3,500,000.00 | - |
| Funds pending approval | - | - |
| Total | 93,470,741.03 | 15,180,105.00 |

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18.4: PMC account balances (See Annex 5)

| | 2022-2023 | 2021-2022 |
|--|---------------------|----------------------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | 1,582,077.07 | 10,848,629 |
| Total | 1,582,077.07 | 10,848,629.00 |

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

| Name | Brief Transaction Description | Outstanding Balance | Outstanding Balance | Comments |
|--|--|---------------------|---------------------|----------|
| | | 2022-2023 | 2021-2022 | |
| Compensation of employees | Gratuity for employees | 1,876,425.50 | 31,123.00 | |
| Committee Allowances | | 343,388.00 | - | |
| Use of goods and services | | 1,733,604.00 | 733,339.00 | |
| Sub-Total | | 3,953,417.50 | 764,462.00 | |
| Amounts due to other Government entities | | | | |
| PRIMARY SCHOOL PROJECTS | | | | |
| | | - | - | |
| | | - | - | |
| Sub-Total | | - | - | |
| SECONDARY SCHOOL PROJECTS | | | | |
| CHAVAVO SECONDARY SCHOOL | Completion of a two storey tuition block | - | 2,000,000.00 | |
| MADIRA GIRLS SECONDARY SCHOOL | Completion of phase student capacity dormitory | - | 2,000,000.00 | |
| CHANGO SECONDARY SCHOOL | Construction to completion of 150 student capacity dormitory | 5,518,070.00 | - | |
| CHAVAVO SECONDARY SCHOOL | Completion of construction of a two storey tuition block | 5,340,000.00 | - | |
| IKUMBA SECONDARY SCHOOL | Completion of construction of a 2 storey tuition block | 5,000,294.00 | - | |
| KIDINYE SECONDARY SCHOOL | Completion of construction of a 2 storey building | 871,089.00 | - | |
| MADIRA GIRLS | Construction to completion of 150 student capacity dormitory | 5,000,074.00 | - | |
| MASANA SECONDARY SCHOOL | Completion of construction of a 2 storey building | 4,897,268.00 | - | |

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| | | | | |
|--|---|----------------------|---------------------|--|
| VIGINA SECONDARY SCHOOL | Completion of construction of 2 classrooms and 1 office | 4,138,839.07 | - | |
| KITUMBA SECONDARY SCHOOL | Construction of a 2 storey tuition block | 4,000,000.00 | - | |
| Sub-Total | | 34,765,634.07 | 4,000,000.00 | |
| TERTIARY INSTITUTIN PROJECTS | | | | |
| KMTC VIHIGA | | 24,000,000.00 | - | |
| Sub-Total | | 24,000,000.00 | - | |
| Sub-Total | | 58,765,634.07 | 4,000,000.00 | |
| Amounts due to other grants and other transfers | | | | |
| SECURITY PROJECTS | | | | |
| BUSAMO CHIEFS OFFICE | Purchase of office furniture | - | 300,000.00 | |
| KEGOYE ADMINISTRATION POLICE CAMP | Purchase of office furniture | - | 300,000.00 | |
| LUGAGA CHIEFSOFFICE | Purchase of office furniture | - | 300,000.00 | |
| LYAVORA ADMINISTRATION POLICE CAMP | Purchase of office furniture | - | 300,000.00 | |
| OFFICE OF THE DEPUTY DCC | Purchase of office furniture | - | 200,000.00 | |
| Sub-Total | | - | 1,400,000.00 | |
| ENVIRONMENT | | | | |
| CHANDUGUNYI PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| CHANGO PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| CHAVAVO PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| EMBAGA PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| GOT KABINDI PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| IGAKALA PRIMARY SCHOOL | Purchase and Installation of 10,000 | 212,638.00 | - | |

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| | | | | |
|--------------------------------------|--|---------------------|---------------------|--|
| | Ltrs water tank | | | |
| KISIENYA PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| KITUMBA PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| KMTC VIHIGA | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| LUSAVASAVI PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| LYAMIDI PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| MAGUI PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,640.00 | - | |
| VOMULALU PRIMARY SCHOOL | Purchase and Installation of 10,000 Ltrs water tank | 212,638.00 | - | |
| | Sub-Total | 2,764,296.00 | - | |
| | Sub-Total | 4,164,296.00 | 1,400,000.00 | |
| EMERGENCY | | | | |
| PRIMARY SCHOOLS | | (4,300,000.00) | - | |
| SECONDARY SCHOOLS | | (600,000.00) | - | |
| TERTIARY INSTITUTIONS | | - | - | |
| SECURITY PROJECTS | | - | - | |
| UNUTILIZED | To cater for unforeseen circumstances | 8,196,397.00 | 560,207.00 | |
| | Sub-Total | 3,296,397.00 | 560,207.00 | |
| BURSARY AND SOCIAL SECURITY | | | | |
| SECONDARY SCHOOLS | Payment of bursary to needy students in Secondary School | (2,045,797.00) | 26,799.00 | |
| TERTIARY AND UNIVERSITY INSTITUTIONS | Payment of bursary to needy students in Tertiary School | 6,422,399.00 | 323,650.00 | |
| SPECIAL NEEDS/SPECIAL CATEGORIES | Payment of bursary to needy students in Special School | - | 16,108.00 | |
| SOCIAL SECURITY | | 461,216.55 | | |
| | Sub-Total | 4,837,818.55 | 366,557.00 | |

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| | | | | |
|--|--|----------------------|----------------------|--|
| SPORTS | | | | |
| CONSTITUENCY SPORTS | Cary out Constituency sport tournament and winning | 4,853,179.00 | 2,088,879.00 | |
| | | - | | |
| | Sub-Total | 4,853,179.00 | 2,088,879.00 | |
| | Sub-Total | 12,115,394.55 | 3,015,643.00 | |
| Acquisition of assets | | | | |
| MOTOR VEHICLES/MOTORCYCLES | Purchase of Toyota Land Cruiser | 12,000,000.00 | 6,000,000.00 | |
| CONSTRUCTION OF NGCDF OFFICES | | - | - | |
| PURCHASE OF FURNITURE AND EQUIPMENT | | - | - | |
| PURCHASE OF COMPUTERS | | - | - | |
| | Sub-Total | 12,000,000.00 | 6,000,000.00 | |
| Oversight Committee Expenses(itemize) | | | | |
| Committee allowances | | - | - | |
| Use of goods and services | | - | - | |
| | Sub-Total | - | - | |
| Others (specify) | | | | |
| ICT HUBS | | - | - | |
| STRATEGIC PLAN | Vihiga NGCDF Strategic Plan | 3,500,000.00 | | |
| AUDIT FEE | | - | - | |
| SUB COUNTY EDUCATION OFFICE | | - | - | |
| | Sub-Total | 3,500,000.00 | - | |
| Funds pending approval | | - | - | |
| | Grand Total | 93,970,742.12 | 15,180,105.00 | |

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Annex 4 – Summary of Fixed Asset Register

| Asset class | Historical Cost b/f (Kshs) | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) At Year End |
|--|----------------------------------|-------------------------------------|-------------------------------------|--|
| Land | - | - | - | 0 |
| Buildings and structures | 10,500,000.00 | - | - | 10,500,000.00 |
| Transport equipment | 4,000,000.00 | - | - | 4,000,000.00 |
| Office equipment, furniture and fittings | 2,019,280.00 | - | - | 2,019,280.00 |
| ICT Equipment, Software and Other ICT Assets | 281,928.00 | - | - | 281,928.00 |
| Other Machinery and Equipment | 261,000.00 | - | - | 261,000.00 |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 17,062,208.00 | - | - | 17,062,208.00 |

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

| PMC | Bank | Account number | Bank Balance | Bank Balance |
|--|------------|----------------|--------------|--------------|
| | | | 2022-2023 | 2021-2022 |
| Kigadahi Primary School | COOP-MBALE | 1141246363500 | 3,975 | 73,975 |
| Madzugi Primary School PMC | COOP-MBALE | 1141471111500 | 1,973 | 43,973 |
| Kitumba Secondary School PMC | COOP-MBALE | 1141471317500 | 13,976 | 273,976 |
| KMTC Vihiga | COOP-MBALE | 1141246294900 | 0 | 1,874,590 |
| Chambiti Primary School | COOP-MBALE | 01141246286700 | 29,800 | 0 |
| Chanda Primary School | COOP-MBALE | 01141246286000 | 34,200 | 0 |
| Chango Primary School | COOP-MBALE | 01141015000900 | 1,975 | 0 |
| Chavugami Primary School | COOP-MBALE | 01141246286100 | 22,950 | 0 |
| Enanga Primary School | COOP-MBALE | 01141471048400 | 18,975 | 0 |
| Hamasana Primary School | COOP-MBALE | 01141246300100 | 0 | 0 |
| Idelery A.P Camp | COOP-MBALE | 01141471151500 | 44,825 | 0 |
| Ihyagalo Primary School | COOP-MBALE | 01141246300300 | 50 | 0 |
| Inavi Primary School | COOP-MBALE | 1141246310500 | 7,950 | 0 |
| Kerongo Primary School | COOP-MBALE | 01141246283700 | 1,741 | 0 |
| Kerongo Secondary School | COOP-MBALE | 01141246206200 | 375 | 0 |
| Kidinye Primary School | COOP-MBALE | 01141246300800 | 2,950 | 0 |
| Lyavora A.P Camp | COOP-MBALE | 01141471316200 | 2,885 | 0 |
| Magaka Primary School | COOP-MBALE | 01141471048600 | 3,862 | 0 |
| Mahanga Primary School | COOP-MBALE | 01141471128700 | 1,974 | 0 |
| Matsigulu Primary School | COOP-MBALE | 01141471099500 | 58,955 | 0 |
| Musunguti Primary School | COOP-MBALE | 1141471084400 | 17,533 | 0 |
| Navuhi Primary School | COOP-MBALE | 01141246310600 | 2,950 | 0 |
| St. Clares Maragoli Girls' High School | COOP-MBALE | 01141246304600 | 201,418 | 0 |
| Vihiga Education Assessment | COOP-MBALE | 01141246310400 | 2,950 | 0 |
| Vihiga Primary School | COOP-MBALE | 01141471048800 | 38,961 | 0 |
| Visiru Primary School | COOP-MBALE | 01141471152400 | 30,137 | 0 |

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| | | | | |
|-------------------------------|------------|------------------|------------------|-------------------|
| Vunandi Sub-Location Pmc | COOP-MBALE | 01141246301000 | 4,450 | 0 |
| Lusavasavi Primary school PMC | KCB-MBALE | 1,210,004,399.00 | 24,292 | 24,292 |
| Chanzeywe Primary School PMC | KCB-MBALE | 1,255,317,647.00 | 70,645 | 70,845 |
| Lwang'ele Primary School PMC | KCB-MBALE | 1,238,591,078.00 | 1,174 | 568,175 |
| Idavaga Primary School PMC | KCB-MBALE | 1,273,498,917.00 | 18,975 | 42,682 |
| Ikumba Secondary school | KCB-MBALE | 1,273,528,050.00 | 165,173 | 838,569 |
| Chavavo secondary School PMC | KCB-MBALE | 1,209,361,337.00 | 3,262 | 73,462 |
| Chango Secondary School PMC | KCB-MBALE | 1,259,459,322.00 | 11,106 | 447,517 |
| Masana Secondary School PMC | KCB-MBALE | 1,209,519,372.00 | 6,517 | 1,006,895 |
| Kidinye Secondary School PMC | KCB-MBALE | 1,265,674,662.00 | 67,765 | 1,496,253 |
| Chambiti Secondary school PMC | KCB-MBALE | 1,255,579,218.00 | 1,061 | 745,393 |
| Kegoye Secondary School | KCB-MBALE | 1,265,581,975.00 | 1,775 | 66,975 |
| Madira Girls High School PMC | KCB-MBALE | 110,801,342.00 | 200,933 | 3,201,057 |
| Vigina Primary School | KCB-MBALE | 1,210,011,921.00 | 3,973 | 0 |
| Vihiga Police Station | KCB-MBALE | 1,268,052,043.00 | 9,630 | 0 |
| Chavavo Primary school PMC | KCB-MBALE | 1,209,361,337.00 | 3,262 | 0 |
| Madzuu Primary School | KCB-MBALE | 1,237,498,015.00 | 4,200 | 0 |
| Mbale Police Station PMC | KCB-MBALE | 1,268,052,043.00 | 9,630 | 0 |
| TOTAL | | | 1,155,163 | 10,848,629 |

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
| | <p>Unsupported Bursary Disbursements: The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects other grants and other transfers of Kshs. 72,224,133 which includes bursaries of Kshs. 39,700,242, Kshs. 13,819,100 and Kshs. 965,000 to various secondary schools, tertiary institutions and special schools respectively totaling to Kshs. 54,484,342. Review of the records provided for audit revealed that details of the beneficiaries including names of the learning institution, bank details of the learning institution, bursary amount, full names of the student, admission number, type of institution and county in which the learning institution is located were not provided for audit review.</p> | <p>There is an effective Bursary policy in place that has been adhered to and is attached. The two institutions that got kshs.310, 000.00 and Kshs.184, 000.00 are special schools with students living with disabilities, some physically incapacitated and mentally disabled. Most students are total orphans hence they cannot also pick bursary forms for themselves as they depend on the</p> | <p>Resolved</p> | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | <p>In the circumstances, the propriety and accountability of the expenditure of Kshs. 54,484,342 could not be confirmed.</p> | <p>Vihiga NG-CDFC has also provided a list of beneficiaries for the year under review.</p> <p>ANNEX 7-Bursary policy ANNEX 8-Bursary beneficiary List ANNEX9-Acknowledgement receipts and cheque images</p> | | |
| | <p>Unsupported Emergency Projects:</p> <p>The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects other grants and other transfers of Kshs. 72,224,133 which includes an expenditure on emergency projects amounting Kshs. 6,750,200. However, there was no evidence provided to confirm that the emergency relates to urgent, unforeseen need for expenditure that could not be delayed until the next financial</p> | <p>Vihiga NG-CDFC has always examined emergency requests before undertaking in the implementation and also liaising with ministry of public works, Ministry of Public health to ensure that it is indeed an emergency to be able to account for public</p> | Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | <p>The project commenced in the 2019/2020 financial year with original contract sum of Kshs. 14,700,000. The amount paid as at 30th June 2022 was Kshs. 9,300,000. Physical inspection of the project in March, 2023 revealed that the floors and walls are already cracked showing poor workmanship. The contractor began roofing of the building using timber but it's stalled hence all the timber is destroyed due to heavy rains and the work needs to be redone. One of the pillars was poorly constructed and had already started to wear and tear posing risk even before the building is completed.</p> <ul style="list-style-type: none"> • Kidinye Secondary School-Construction of 2 storeyed Building Comprising of 6 Classrooms and 3 Offices. <p>The project commenced in the 2019/2020 financial</p> | <p>and contractor has been instructed to correct the defects. The contractor is on site ongoing with the said works.</p> <p>An inspection and acceptance committee has addressed the issue of cracks on the floors and contractor has been</p> | | |

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| | <p>year with original contract sum of Kshs. 9,723,131, the amount was revised upwards to Kshs. 14,371,080. The amount paid as at 30th June 2022 was Kshs 13,500,000. Physical inspection of the project in March 2023 revealed that the floors and walls are already cracked possibly due to poor workmanship even before the project was completed and handed over officially.</p> <ul style="list-style-type: none"> Madira Primary School- Construction of a 150 Student Capacity Dormitory. The project commenced in the 2019/2020 financial year with original contract sum of Kshs. 31,393,520. The amount paid as at June 2022 was Kshs. 10,000,000. Physical inspection of the project in March 2023 revealed the project was abandoned, stalled and no activities were noted while the walls had already started | <p>instructed to correct the defects. The students had occupied the classes at some time but were relocated for the contractor to correct the said defects.</p> <p>The contractor has resumed site and the building is at 90% complete. Flooring painting and electrical works has been done.</p> | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | <p>to wear and tear.</p> <ul style="list-style-type: none"> Masana Secondary School-Construction of 2 Storeyed Building comprising of 8 Classrooms, 3 Offices and One Exam hall The project commenced in the 2018/2019 financial year with original contract sum of Kshs. 18,197,268, the amount paid as at 30th June 2022 was Kshs. 10,300,000. Summary report on ongoing projects and payments made to date revealed slow progress in the implementation of the project since commencement in 2018/2019 financial year. Construction of Vihiga KMITC College The project commenced in the 2020/2021 financial year with original contract sum of Kshs. 19,354,175, the amount was revised upwards to Kshs. | <p>The contractor is on site and roofing has already been done to secure the building. Ground and first floor is complete.</p> | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
| | <p>35,000,000 with payments of 35,000,000 to date. Physical verification in March 2023 revealed that there are no activities on site. Further, the project lacks comprehensive routine supervision and monitoring and evaluation reports.</p> <ul style="list-style-type: none"> Construction of 2 Storey Classrooms at Vagina Secondary School The project commenced in the 2018/2019 financial year with original contract sum of Kshs.14, 400,000. The amount paid as at 30th June 2022 was Kshs. 6,939,999. Summary report on ongoing projects and payments made to date revealed slow progress in the implementation of the project since commencement in 2018/2019 financial year. In the circumstances, the delay in completion of the projects has negatively impacted service delivery to the public. | <p>The second floor finishes ongoing.</p> <p>KMTC Vihiga is being constructed in Phases with phase I being the ground floor constructed at KSHS: 19,354,175.00, Phase II – at KSHS. 15,854,700.00 totalling to KSHS. 35,000,000.00</p> <p>The contractor is on site. The project is now complete with the ground floor in use. Painting of the first floor</p> | | |

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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) |
|--|-----------------------------------|---------------------|-----------------------------------|--|
| | | ongoing. | | |

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Name
 Joe Godwin Oduor.