

REPUBLIC OF KENYA



Enhancing Accountability

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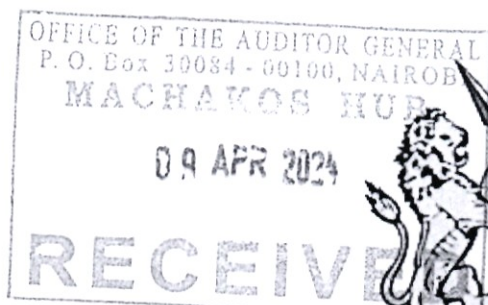
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KITUI RURAL CONSTITUENCY**

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

Revised Template 30th June 2023



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

i. Acronyms and Abbreviations

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

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-

FY-Financial Year

ii. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service

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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 Kitui Rural 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	Ezekiel K. Mwangangi
2.	Sub-County Accountant	Alex Tinega
3.	Chairman NGCDFC	Simon M.Munyoki
4.	Member NGCDFC	Maureen Nathan

(c) Fiduciary Oversight Arrangements

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

P.O. Box 1422-902
NG-CDF Office Building
Kwavonza Town along Kyusiani Road
KITUI

(e) Kitui Rural Constituency NGCDF Contacts

Telephone: (254) 723636367
E-mail: cdkituirural@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Kitui Rural Constituency NGCDF Bankers

Equity Bank

Kitui Branch

A/C NO 0720261934286

KITUI TOWN

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

iii. NG-CDFC Chairman's Report



**MUEMA MUNYOKI
CHAIRPERSON KITUI RURAL**

Kitui Rural Constituency is an electoral Constituency in Kenya. It is one of the Eight Constituencies of Kitui County in the Former Eastern Province. The Constituency was established and gazetted in 2012 by the Independent Electoral and Boundaries Commission (IEBC) in readiness for the 2013 elections.

The Constituency has its headquarters in Kwavonza Town where it has constructed its own office along kwavonza kyusiani road just a few meters from Machakos Kitui road.

According to the 2019 Kenya Population and Housing Census the population was 1,136,187 with a population density of 37 people per Km² and an annual growth rate of 2.2%. Main economic activities are: Livestock keeping, bee keeping, growing of maize, beans farming of tobacco, cotton, cowpeas, mangoes and commercial businesses.

The Committee has always dedicated time to ensure prudent management of resources received from the NG-CDF Board within the four wards of the Constituency. Since inception the committee has completed several development projects that are geared towards infrastructural development, wealth creation and fight against poverty within the constituency.

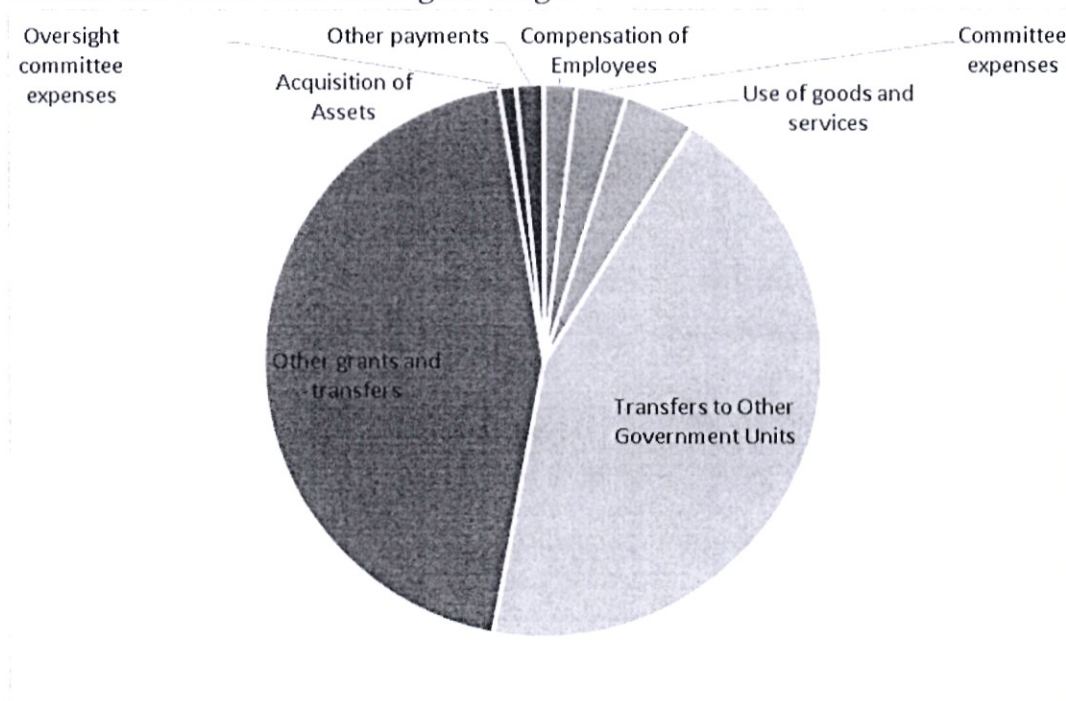
During the financial year 2022/23 Kitui Rural Constituency NG-CDF had a budget allocation of ksh 138,215,033 and a final budget of Ksh. 139,995,674. The constituency was able to utilise 66% of the allocated resources during the year. At the closure of the financial year the constituency had unutilised funds amounting to Ksh 65,168,969 representing cash book balance of Ksh 17,953,936 and an amount of Ksh 47,215,033 not yet received from the board at the close of the financial year. The implementation has been satisfactory despite a few challenges.

The allocation of the original budget was as follows:

	Budget (Ksh.)
Compensation of Employees	2,641,724
Committee expenses	4,107,177
Use of goods and services	5,690,150

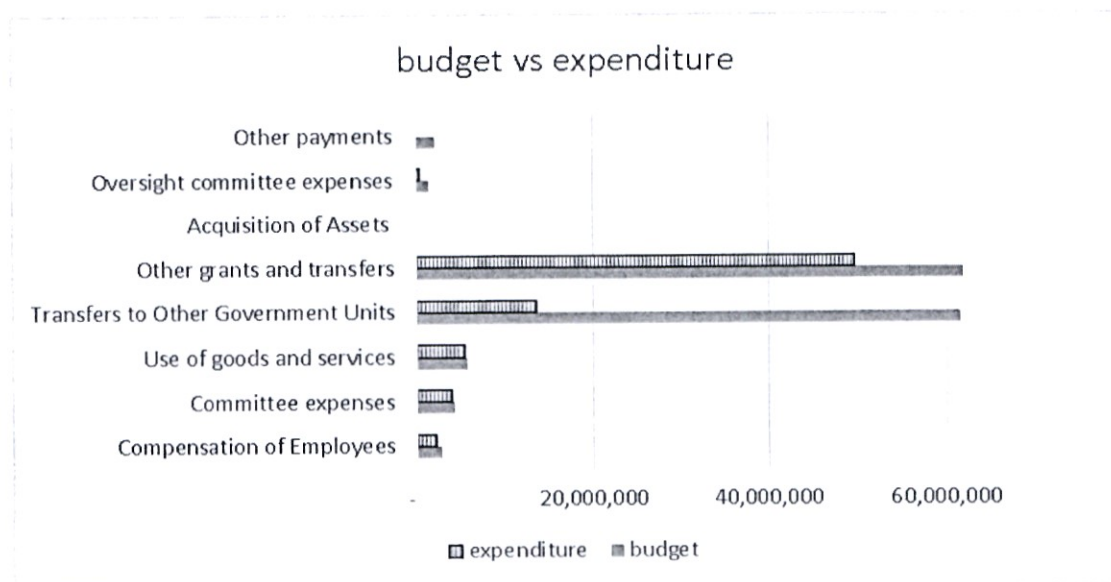
Transfers to Other Government Units	60,753,000
Other grants and transfers	61,440,832
Acquisition of Assets	0
Oversight committee expenses	1,382,150
Other payments	2,200,000

Pie chart on distribution of the original budget



The expenditure summary is as follows

	budget	expenditure
Compensation of Employees	2,641,882	2,090,290
Committee expenses	4,107,177	3,858,406
Use of goods and services	5,690,150	5,316,867
Transfers to Other Government Units	61,553,000	13,485,500
Other grants and transfers	61,822,832	49,675,642
Acquisition of Assets	-	-
Oversight committee expenses	1,382,150	400,000
Other payments	2,200,000	-



KEY ACHIEVEMENTS

During the Financial year 2022/2023 we have also put up new facilities like new classrooms, laboratories, administration blocks in the education sector, the constituency has also renovated a number of classrooms and this has helped create a conducive environment for students/learners and also the teachers, security has also improved to a great extent by construction of new police posts, offices for the local Administration bringing government services closer to the people, students have also benefited a lot through the bursary kit. Environment activities have also not been left out, schools have benefitted with tanks for water harvesting and also planting of trees to conserve the Environment.

PHOTOS OF PROJECTS



NGULILU PRIMARY SCHOOL CLASSROOM BLOCK FROM THE SIDE VIEW



NGULILU PRIMARY SCHOOL CLASSROOM BLOCK FROM THE FRONT VIEW

The classroom is being used by pupils and this has provided a good atmosphere for learning



MAMOLE PRIMARY SCHOOL ADMINISTRATION BLOCK FROM THE SIDE VIEW

The administration block is being used by the teachers and providing a good Enviroment for the teachers



MAMOLE PRIMARY SCHOOL ADMINISTRATION BLOCK FROM FRONT VIEW

EMERGING ISSUES

Like any other Constituency, Kitui Rural Constituency has also faced some emerging issues some relating to increased bursary uptake, the electioneering period which normally comes after every five year cycle slowing the economic activities, minimal rainfall leading to slow harvest by the farmers, Slow release of funds has also impacted negatively on our overall performance.

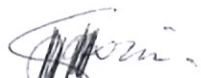
The Board has also introduced new reporting tools, the introduction of vote book management system where constituencies have moved from the use of the manual vote book and this has helped in increased efficiency and improved performance of the NG-CDFC to a great extent.

IMPLEMENTATION CHALLENGES AND WAYFORWARD

Political influence from the local leaders to some extent has become a challenge in the allocation of resources within the constituency such influence could affect the fair distribution of resources to the project Management Committees; procurement process still poses a great challenge to the committee. We shall continuously endeavour to train and Build PMC's capacity in order to appreciate the laws and regulations governing management of public funds.

APPRECIATION

Let me recognise the CDF BOARD, The parent Ministry , Office of the Auditor General, The Area Member of parliament, all district Heads, CDFC Members and all other stake holders who have stood with us all along, finally I would like to appreciate the contribution and individual dedication of our members of staff towards our overall success.



SIMON M .MUNYOKI

CHAIRMAN NGCDF COMMITTEE

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iv. **Statement of Performance against Predetermined Objectives for FY2022/2023**

Introduction

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

The key development objectives of *Kitui Rural Constituency 2022-2027* plan are to:

- a. Increase in employability of the youth.
- b. Improved performance in primary, secondary and TVET.
- c. Increased security coverage.
- d. Increase in enrolment in primary, secondary.
- e. Increase in transition from primary to secondary.
- f. Increased number of youth engaged in gainful employment
- g. Increase in online business uptake by youth
- h. Increase in knowledge, skills and passion for sustainable environment
- i. Secure business environment.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 2022/2023 -we increased number of classrooms from 50 to 65 in primary schools , science laboratories from 15 to 18 in secondary schools -Bursary beneficiaries at all levels also increased as

				universities 4,000 and secondary 12,000
Security	To provide security to all constituents by improving police posts and chiefs camp	Develop the infrastructure in the national security administration to enhance service delivery	Number of usable physical infrastructure built at sub county levels locations , sub locations and police stations	Number of Chiefs offices increased from 7 to 9 Number of Ass Chiefs offices increased from 6 to 7
Environment	Increased no. of water harvest tanks constructed	Availability of water in learning institution	Clean leaning environment	Schools encouraged to have water harvesting tanks to harvest rain water. We have allocated 6 more water tanks for water harvesting this financial year
Sports	To encourage economic activities of residents for self – sufficiency and empowerment	Reduced dependency and spur economic growth through sports and other related activities	Number of youth groups benefiting from the sports kits , equipment's and trophies	Number of youth groups benefiting increased from 60 to 80
Disaster Management	Increase in employability of the youth	Impacted citizens on disaster management	Trained NGCDFC Staffs and Fund Manager	PMC sensitization Training on project implementation to consider alternative exit in case of emergency.
Emergency Funding	To cater for any unforeseen occurrence in the constituency	Emergency cases sorted soonest time possible	Number of emergency cases handled	2 emergency cases were handled.

v. Statement of Governance

Appointment of NG-CDF Committee

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

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

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

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

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

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

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

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

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

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

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

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

1952 Kenya Subsidiary Legislation, 2016

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

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

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

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

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

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

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

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NG-CDF

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office to carry out an appointment of the new committee. The panel invited through advertisement publicised in mosques and churches, public offices, notice boards and other public areas in the constituency in the month of October.

In Ijara constituency, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee.

Appointment of NGCDFC Members

The selection Panel

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

SNO	NAME	DESIGNATION
1	Moses Korir	Chairman
2	Ezekiel K Mwangangi	Secretary
3	Marieta Kiema	Member
4	Reuben Mutua	Member

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Kitui Rural Constituency Office as per section 43 of the NG-CDF Act, 2015.

NO	NAME	NATIONAL ID NUMBER	MOBILE NUMBER	CATEGORY	WARD
1	Muema Simon Munyoki	8175347	0722614358	Male Adult	Kisasi Ward
2	Benson Mbula Kasina	37691236	0757765937	Male Youth	Kyangi Ward
3	Salome Mwende Joseph	33471243	0790197199	Female Adult	Mbitini Ward
4	Pauline Kathini Maleve	31812987	0728967746	Female youth	Kisasi Ward

Nominee of the body representing persons with disability

NO	NAME	NATIONAL ID NUMBER	MOBILE NUMBER	CATEGORY	WARD
1	Maurice Mbevo Kiema	4340056	0722687086	Representing person with disability	Kyangi Ward

Nominee of the constituency Office

NO	NAME	NATIONAL ID NUMBER	MOBILE NUMBER
1	Makau Maurice Ngala	8682119	0720489266
2	Kaveki Moureen Nathan	21217059	0728967746

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

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S/N	Name	Gender	Ward
1.	Juma Mutia Manzo	male	Mbitini Ward

The appointed committee members were gazzetted through Gazette volume number 254 29-11-2022 on 29th November 2022.

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

The new committee held its first meeting on 13st December 2022 and they following were elected as Chairperson and secretary

Sno.	Name	Position
1	Muema Munyoki	Chairperson
2	Maurice Ngala	Secretary
3	Benson Mbula Kasina	Member
4	Maurice Kiema	Member
5	Pauline Kathini Maleve	Member
6	Maureen Nathan	Member
7	Salome Joseph	Member
8	Juma Mutia	Member
9	Ezekiel Mwangangi	FAM
10	Rebecca Ndirangu	DCC

Removal of NG-CDFC Members

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

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

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

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National Government Constituencies Development Fund (NGCDF)
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Roles and functions of NG-CDFC

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

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NG-CDFC members. The constituency also held a capacity building exercise for members in Mombasa from 25th to 30th June 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Kitui Rural Constituency.

Number of meetings held

Section 43(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NG-CDFC Kitui Rural held 11 meetings as illustrated below;

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Schedule of meetings held during the FY 2022/2023

S.N	NG-CDFC MEMBERS	COMMITTEE	13/1 2/22	14/12 /22	06/01/ 23	15/02 /23	01/03 /23	14/03/ 23	30/03 /23	11/04 /23	18/05 /2023	02/06 /2023	20/06 /2023
1	Muema Munyoki-chairperson		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Maurice Ngala Mbevo- Secretary		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Benson Mbula Kasina- Member		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Maurice Makau- Member		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Pauline Kathini Member		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Maureen Nathan Member		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Salome Mwendu Member		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Juma Mutia Member		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Ezekiel Mwangangi FAM		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Rebecca Ndirangu DCC		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Kitui Rural adhered to the above ethical issues.

Members' remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh7,000 per meeting and all other members an allowance of ksh.5,000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

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

Disclose policy on conflict of interest

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

Risk management

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

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

vi. Environmental and Sustainability Reporting

Kitui Rural 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.

Environment conservation which is a key pillar sensitizes the community on how to conserve the Environment, the youth are also sensitized on drug abuse and alcohol prevention.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kitui Rural NG-CDF focuses 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 Kitui Rural 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.

2. Environmental performance

Kitui Rural Constituency is affected by climate change, erratic rainfall patterns, reduction of water quantity and quality, flooding, siltation of rivers, and dams, rising temperatures and frequent disease outbreaks are some of the effects of climate change in the Kitui Rural constituency.

This year we constructed we planted trees and bought water tanks for rain harvesting, we are also encouraging the public to put up sand dams to prevent water erosion.

We also organized sports tournament whereby the youth were sensitized on the drug abuse matters and environmental conservation matters

3. Employee welfare

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

Kitui Rural 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:

- Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- Responsible marketing and advertisement
- Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Kitui Rural 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.

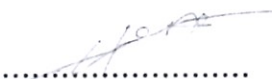
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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

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Name: Ezekiel K Mwangangi

Fund Account Manager

vii. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kitui Rural 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-Kitui Rural 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- Kitui Rural 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 Kitui Rural 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.

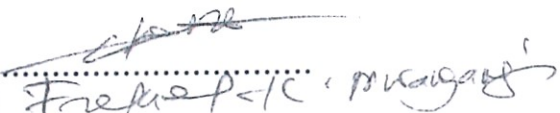
Approval of the financial statements

The NGCDF- Kitui Rural Constituency financial statements were approved and signed by the Accounting Officer on 9th April 2023.

SIMON M. MUMUKI 

Name:

Chairman – NGCDF Committee



Name:

Fund Account Manager

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUI RURAL 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 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 - Kitui Rural Constituency set out on pages 1 to 52, 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

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

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- i. The summary statement of appropriation reflects payments budget adjustment amount of Kshs.1,780,641 instead of Kshs.1,291,158 resulting in casting error of Kshs.489,483.
- ii. The budget execution by sectors and projects reflects adjustments opening balance of Kshs.1,780,641 which includes unallocated funds totalling Kshs.598,483. The amount erroneously includes Kshs.407,483 in respect of AIA for the year under review.
- iii. The budget execution by sectors and projects reflects budget utilization difference amount of Kshs.65,168,969 which is at variance with the summary statement of appropriation amount of Kshs.64,679,486 by an unexplained variance of Kshs.489,483.

In the circumstances, the accuracy and completeness of the summary statement of appropriation could not be confirmed.

2. Misclassification in the Statement of Receipts and Payments

The statement of receipts and payments reflects use of goods and services amount of Kshs.5,316,867 and as disclosed in Note 6 to the financial statements. The amount includes committee expenses totalling Kshs.1,648,000 wrongly charged under use of goods and services expenses.

2.1 Inaccuracies in Use of Goods and Services

The statement of receipts and payments reflects use of goods and services amount of Kshs.5,316,867 and as disclosed in Note 6 to the financial statements. Further, the statement reflects committee expenses amount of Kshs.3,858,406 and as disclosed in Note 5. However, review of supporting documents including payment vouchers revealed

that use of goods and services and committee expenses amount of Kshs.274,000 and Kshs.178,000 respectively both totalling Kshs.452,000 was not recorded in the ledger.

In the circumstances, the accuracy and completeness of use of goods and services expenditure of Kshs.5,316,857 could not be confirmed.

2.2 Inaccuracies in Committee Expenses

The statement of receipts and payments reflects an amount of Kshs.3,858,406 in respect of Committee expenses and as disclosed in Note 5 to the financial statement. However, review of the supporting documents including payment vouchers revealed that committee expenses amount of Kshs.178,000 was not recorded in the ledger.

In the circumstances, the accuracy and completeness of committee expenses expenditure amounting to Kshs.3,858,406 could not be confirmed.

2.3 Misclassification of Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers amount of Kshs.49,675,642 which includes bursary for secondary schools and tertiary Institutions Kshs.34,786,642 and Kshs.12,889,000 respectively as disclosed in Note 8 to the financial statements. The expenditure includes use of goods and services and committee expenses amounts of Kshs.506,642 and Kshs.288,000 respectively, totalling Kshs.794,642 which were wrongly charged under bursary-tertiary and bursary-secondary item codes.

In the circumstances, accuracy and completeness of other misclassifications in use of goods and services, committee and other grants and transfers amounts of Kshs.506,642 and Kshs.288,000 respectively could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents.

The statement of assets and liabilities reflects bank balance of Kshs.17,953,936 and as disclosed in Note 12 to the financial statements. However, review of the bank reconciliation statement for June, 2023 revealed that, payments in cash book not in bank statement totalling Kshs.14,902,948 included one cheque of Kshs.3,500 dated 12 January, 2022 that was stale, but had not been reversed in the cash book.

Further, the bank reconciliation statement as at 30 June, 2023 reflects payments in bank statement not recorded in the cashbook totalling Kshs.1,036,820. However, the amount included bank charges totalling Kshs.5,320 some of which had remained un-recorded since 2021. Management did not provide explanation for not taking appropriate action to clear the outstanding items.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.17,953,936 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 - Kitui Rural 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 amount on comparable basis of Kshs.139,506,191 and 92,698,641 respectively, resulting to under-funding of Kshs.46,807,550 or 34% of the budget. Similarly, the Fund spent Kshs.74,826,705 against actual receipts of Kshs.92,698,641 resulting to an under-utilization of Kshs.17,871,936 or 19% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not explained the reasons for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unsatisfactory Project Implementation

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.13,485,500 and as disclosed in Note 7 to the financial statements. Further, the statement reflects other grants and transfers amount of Kshs.49,675,642 which includes security and emergency projects amounts of Kshs.500,000 and Kshs.1,500,000 respectively as disclosed in Note 8 to the financial statements. However, review of records of the ten (10) sampled projects for inspection revealed the following anomalies:

(i) Poor Workmanship for Projects

The Fund transferred amount of Kshs.6,200,000 to five (5) Project Management Committees (PMCs) for the construction to completion of two (2) administration blocks, three (3) classrooms, six (6) offices and two (2) staff rooms in five different primary schools. Physical inspection conducted on 26 March, 2023 revealed that, Ulungu, Mbanga and Kavoo primary schools had visible cracks on the floor, Kavasya primary school had cracks on the floor and inner wall and Ngililu primary school had major cracks on the floor and the wall, an indication of poor workmanship. The contractors had not rectified the defects before settlement of the total contract sum.

(ii) Unbranded Projects

The Fund transferred amount of Kshs.1,300,000 to the PMC of Mbitini Mixed Secondary School for the completion of a Multipurpose hall and construction of four (4) door pit latrine. Site visit in the month of March, 2024 revealed that the multipurpose hall was completed. However, the project had not been branded and labeled. It was therefore not possible to establish whether the project had been implemented by NGCDF-Kitui Rural Constituency .

(iii) Lack of Approval for Change of Project Scope

The Fund transferred amount totalling Kshs.3,200,000 to Kavasya and Kavoo Primary schools PMCs for the construction to completion of administration block comprising of three (3) offices and one (1) staff room. However, physical inspection revealed that the administration blocks had two offices instead of three (3) as per the bill of quantities.

Management did not provide the PMCs request and Constituency Development Fund Committee (CDFC) approval for change of activities.

(iv) Stalled Project

The Fund allocated an amount of Kshs.500,000 to Ulungu Primary school for construction of one class room, walling and roofing during the 2016/2017 financial year. Physical inspection conducted on 26 March, 2024 revealed that the project was constructed up to roofing level and the contractor had abandoned the site. However, the Management has not indicated the efforts being made to complete the project.

In the circumstances, value for money on the expenditure incurred on the projects may not have been realized.

2. Delay in Project Implementation

Review of the project implementation status report as at 29 February, 2024 revealed that, the Fund allocated amount totalling Kshs.82,317,200.00 for implementation of eighty-six (86) projects in the financial years 2020/2021, 2021/2022 and 2022/2023. Out of the eighty-six projects, two (2) projects worth Kshs.1,100,000 had not started while one (1) project with an allocation of Kshs.1,000,000 had not been funded. No explanation was provided why the remaining three (3) projects had not been completed.

In the circumstances, value for money may not have been realized due to delayed completion of projects.

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

I communicate with the 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

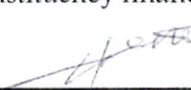
15 May, 2024

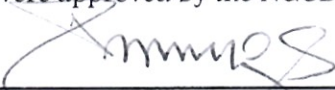
Kitui Rural Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023****ix. Statement of Receipts and Payments for the Year Ended 30th June 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	91,000,000	181,277,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	407,483	-
Total Receipts		91,407,483	181,277,758
Payments			
Compensation Of Employees	4	2,090,290	3,957,202
Committee expenses	5	3,858,406	7,103,980
Use Of Goods and Services	6	5,316,867	6,965,204
Transfers To Other Government Units	7	13,485,500	78,150,000
Other Grants and Transfers	8	49,675,642	89,706,017
Acquisition Of Assets	9	-	425,520
Over sight committee expenses	10	400,000	
Other Payments	11	-	-
Total Payments		74,826,705	186,307,923
Surplus/(Deficit)		16,580,778	(5,030,165)

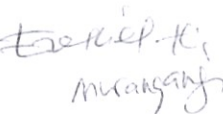
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 8th May 2024 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: 
Mwangi

Name: Alex Tinegg
ICPAK M/No: 17472

Name: Simon M. Mwangi

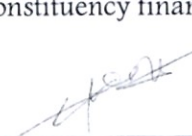
Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

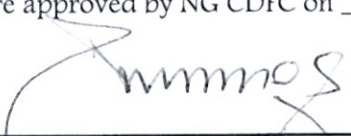
x. Statement Of Assets and Liabilities As At 30th June, 2023

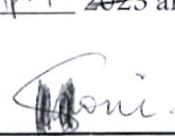
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	17,953,936	1,291,158
Cash Balances (Cash at Hand)	12B	-	
Total Cash and Cash Equivalents		17,953,936	1,291,158
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		17,953,936	1,291,158
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities			
Net Financial Assets		17,953,936	1,291,158
Represented By			
Fund Balance B/Fwd	15	1,291,158	6,321,323
Prior Year Adjustments	16	82,000	
Surplus/Deficit for The Year		16,580,778	(5,030,165)
Net Financial Position		17,953,936	1,291,158

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

The Constituency financial statements were approved by NG CDFC on 8th April 2024 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Enelief H. Mwangi

Name: Alex Tinegg
ICPAK M/No: 17472

Name: Simon M. Muriyori

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

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	91,000,000	181,277,758
Other Receipts	3	407,483	-
Total Receipts		91,407,483	181,277,758
Payments			
Compensation Of Employees	4	2,090,290	3,957,202
Committee Expenses	5	3,858,406	7,103,980
Use Of Goods and Services	6	5,316,867	6,965,204
Transfers To Other Government Units	7	13,485,500	78,150,000
Other Grants and Transfers	8	49,675,642	89,706,017
Oversight committee expenses	10	400,000	
Other Payments	11	-	-
Total Payments		74,826,705	185,882,403
Total Receipts Less Total Payments			
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Prior Year Adjustments	16	82,000	
Net Adjustments			
Cash flow From operating Activities		16,662,778	(4,604,645)
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(425,520)
Net Cash Flows from Investing Activities		-	(425,520)
Net Increase In Cash And Cash Equivalent		16,662,778	(5,030,165)
Cash & Cash Equivalent At Start Of The Year	12	1,291,158	6,321,323
Cash & Cash Equivalent At End Of The Year	12	17,953,936	1,291,158

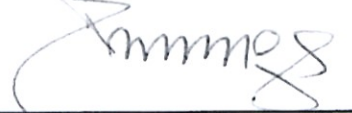
Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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

The Constituency financial statements were approved by NG CDFC on 8th April 2024 ~~2023~~ and signed by:



Fund Account Manager



National Sub-County Accountant



Chairman NG-CDF Committee

Name: Ezekiel Mwangi

Name: Alex Tinega
ICPAK M/No: 17472

Name: Simon M. Munyoki

xii. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	<i>Insert current FY</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>Insert current FY</i>	<i>Insert current FY</i>		
Receipts							
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	138,215,033	1,291,158	0	139,506,191	92,291,158	47,215,033	66
Proceeds From Sale of Assets				-	-	-	-
Other Receipts					407,483	-	-
Totals	138,215,033	1,291,158		139,506,191	92,698,641	46,807,550	66.3%
Payments							
Compensation Of Employees	2,641,724	158		2,641,882	2,090,290	551,592	80%
Committee Expenses	4,107,177			4,107,177	3,858,406	248,771	94%
Use Of Goods and Services	5,690,150			5,690,150	5,316,867	373,283	94%
Transfers To Other Government Units	60,753,000	800,000		61,553,000	13,485,500	48,067,500	22%
Other Grants and Transfers	61,440,832	300,000		61,740,832	49,675,642	12,065,190	81%
Acquisition Of Assets	-	-	-	-	-	-	
Oversight com expenses	1,382,150			1,382,150	400,000	982,150	29%
Other Payments	2,200,000	-	-	2,200,000	-	2,200,000	0.0%
Funds Pending Approval(AIA)	-	191,000	-	191,000	-	191,000	0.0%
Totals	138,215,033	1,780,641	-	139,506,191	74,826,705	64,679,486	54%

***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) At the close of the financial year the constituency had a total 598,483 as AIA
- (b) [There has been underutilization under grants to other government units and oversight expenses as a result of funds not yet released by the board at the close of the financial year.
- (c) At the beginning of the financial year the constituency had an opening balance of Ksh 1,291,158 representing funds for two projects Ksh 1,100,000, an amount of Ksh 158 as staff payables and Ksh 191,000 as AIA.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	64,679,486
Less undisbursed funds receivable from the Board as at 30 th June 2023	46,807,550
	17,871,936
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	82,000
Cash and Cash Equivalents at the end of the 30 th June 2023	17,953,936

The Constituency financial statements were approved by NG CDFC on 5th April 2024 2023 and signed by:

Fund Account Manager

Name:

Esmeralda Mwangi

National Sub-County Accountant

Name:

Alex Tinegg
ICPAK M/No: 17472

Chairman NG-CDF Committee

Name:

Simon M. Mwangi

xiii. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,641,724	158		2,641,882	2,090,290	551,592
1.2 Committee allowances	2,559,177			2,559,177	2,310,406	248,771
1.3 Use of goods and services	3,092,000			3,092,000	2,718,717	373,283
Total	8,292,901		-	8,293,059	7,119,413	1,173,646
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,847,000			1,847,000	1,847,000	-
2.2 Committee allowances	1,548,000			1,548,000	1,548,000	-
2.3 Use of goods and services	751,150			751,150	751,150	-
Total	4,146,150		-	4,146,150	4,146,150	-
3.0 Emergency						
3.1 Primary Schools	7,636,190			7,636,190	1,500,000	6,136,190
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects			-	-		-
3.5 Unutilised				-		-
Total	7,636,190			7,636,190	1,500,000	6,136,190

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	34,786,642	82,000		34,868,622	34,783,642	82,000
4.2 Tertiary Institutions	12,889,000			12,889,000	12,889,000	-
4.3 Social Security				-		-
4.4 Special Needs				-		-
Total	47,675,642	-	-	47,675,642	47,675,642	-
5.0 Sports				-		-
Constituency Sports tournament	2,264,300			2,264,300		2,264,300
Regional Sports Tournament	500,000			500,000		500,000
Total	2,764,300			2,764,300		2,764,300
6.0 Environment						
Isovy Primary School	127,450			127,450		127,450
Kitamaa Primary School	127,450			127,450		127,450
Ndokeani Primary School	127,450			127,450		127,450
Kivuuni Primary School	127,450			127,450		127,450
Kavasya Primary School	127,450			127,450		127,450
Ng-cdf Office	127,450			127,450		127,450
Total	764,700			764,700		764,700
7.0 Primary Schools Projects						

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			
Hon. Mutisya Primary School	750,000			750,000		750,000
Isovy Primary School primary	900,000			900,000		900,000
Itulani Primary School	650,000			650,000		650,000
Kalala Primary School	600,000			600,000		600,000
Kalivini Primary School	1,200,000			1,200,000		1,200,000
Kalulini Primary School primary	335,500			335,500		335,500
Kamanyi Primary School	750,000			750,000		750,000
Kaoundu Primary School primary	1,000,000	800,000		1,800,000	800,000	1,000,000
Katothya Primary School	600,000			600,000		600,000
Kavasya Primary School	1,600,000			1,600,000	1,600,000	
Kavisuni Primary School	1,250,000			1,250,000		1,250,000
Kavoo Primary School	1,600,000			1,600,000	1,600,000	
Kavumbu Primary School	1,000,000			1,000,000		1,000,000
Kikuuni Primary School	1,350,000			1,350,000		1,350,000
Kilamba Primary School	1,200,000			1,200,000		1,200,000
Kiliko Primary School	1,000,000			1,000,000	1,000,000	
Kilivi Primary School	900,000			900,000	900,000	
Kisavi Primary School	1,000,000			1,000,000		1,000,000
Kisayani Primary School	487,500			487,500		487,500
Kitungate Primary School	2,000,000			2,000,000		2,000,000
Konza Primary School	230,000			230,000		230,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kwa-katungu Primary School	850,000			850,000		850,000
Kyamungi Primary School	200,000			200,000		200,000
Kyenze Primary School	199,500			199,500	199,500	
Kyuasini Primary School	1,000,000			1,000,000	1,000,000	
Malatani Primary School	1,000,000			1,000,000		1,000,000
Mamole Primary School	1,600,000			1,600,000		1,600,000
Mavindini Primary School	1,000,000			1,000,000		1,000,000
Mbananga Primary School	1,000,000			1,000,000	1,000,000	
Muambani Primary School	1,200,000			1,200,000		1,200,000
Mumbe Primary School	1,000,000			1,000,000		1,000,000
Muselele Primary School	900,000			900,000		900,000
Muvyani Primary School	200,000			200,000		200,000
Ngangani Primary School	600,000			600,000		600,000
Ngomoni Primary School	600,000			600,000	600,000	
Ngulilu Primary School	1,000,000			1,000,000	1,000,000	
Nguuni Primary School	600,000			600,000	600,000	
Seekea Primary School	1,200,000			1,200,000		1,200,000
Tanganyika Primary School	2,000,000			2,000,000	1,686,000	314,000
Ulungu Primary School	1,000,000			1,000,000	1,000,000	
Usang'a Primary School	600,000			600,000		600,000
Total	38,152,500	-	-	38,952,500	12,985,500	25,967,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.0 Secondary Schools Projects						-
Hon.charcles -Kasevi Mixed Secondary School	1,000,000			1,000,000		1,000,000
Iani Mixed Secondary School	450,500			450,500		450,500
Kalulini Secondary School	500,000			500,000	500,000	-
Kanzau Mixed Secondary School	2,900,000			2,900,000		2,900,000
Kavisuni Mixed Secondary School	950,000			950,000		950,000
Masimba Mixed Secondary School	7,900,000			7,900,000		7,900,000
Mbitini Mixed secondary	7,900,000			7,900,000		7,900,000
Tanganyika Mixed Secondary School	1,000,000			1,000,000		1,000,000
Total	22,600,500	-	-	22,600,500	500,000	22,100,500
9.0 Tertiary institutions Projects						
Total						
10.0 Security Projects				-		-
Kavisuni Administration Police Post	500,000			500,000	500,000	
Kilumya Assistant chiefs' office	700,000			700,000		700,000
kithiani Assistant chiefs' office	700,000			700,000		700,000

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Previous Years' Outstanding Disbursements	Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA					
Ndunguni Assistant chiefs' office	700,000				700,000		700,000
Iani AP Line		300,000.00			300,000		300,000
Total	2,600,000	300,000	-		2,900,000	500,000	2,400,000
11.0 Acquisition of assets							
11.1 Motor Vehicles (including motorbikes)	-	-	-		-	-	-
11.2 Construction of CDF office	-	-	-		-	-	-
11.3 Purchase of furniture and equipment	-	-	-		-	-	-
11.4 Purchase of computers	-	-	-		-	-	-
11.5 Purchase of land	-	-	-		-	-	-
Total	-	-	-		-	-	-
12.0 Oversight Committee expenses							
Oversight committee expenses	1,002,150				1,002,150	400,000	602,150
Use of goods and services	380,000				380,000		380,000
13.0 Other payments							
Strategic Plan	2,200,000				2,200,000		2,200,000
Total	2,200,000	-	-		2,200,000		2,200,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
unallocated fund						
Unapproved projects						-
AIA 21/22		191,000		191,000		191,000
AIA 22/23		407,483		407,483		407,483
PMC savings						
Total		598,483		598,483	-	598,483
	138,215,033	1,780,641		139,995,674	74,826,705	65,168,969

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

xiv. Significant Accounting Policies

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

1. Statement of Compliance and basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kitui Rural 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.

***Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: 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.

Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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xv. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B 140958		33,000,000
AIE NO. B 105479		44,000,000
AIE NO. B 105824		23,800,000
AIE NO. B 128569		5,000,000
AIE NO. B 154078		15,000,000
AIE NO. B 128880		14,000,000
AIE NO. B 164415		31,688,879
AIE NO. B 155972		11,188,879
AIE NO. B 155853		3,600,000
AIE NO. B 185125	7,000,000	
AIE NO. B 185535	6,000,000	
AIE NO. B 206159	5,000,000	
AIE NO. B 185666	15,000,000	
AIE NO. B 206425	12,000,000	
AIE NO. B 205797	12,000,000	
AIE NO. B 207649	18,000,000	
AIE NO. B 207819	16,000,000	
TOTAL	91,000,000	181,277,758

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	0	0

Notes To the Financial Statements (Continued)

3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	–	–
Rents	407,483	–
Receipts from sale of tender documents	–	–
Hire of plant/equipment/facilities	–	–
Other Receipts Not Classified Elsewhere	–	–
Total	407,483	0

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,283,194	1,513,275
Personal allowances paid as part of salary	–	–
House Allowance	312,000	–
Transport Allowance	–	1,672,684
Leave allowance	–	–
Gratuity to contractual employees	430,296	524,521
Employer Contributions Compulsory national social security schemes	64,800	246,722
Total	2,090,290	3,957,202

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	953,400	3,676,980
Other committee expenses	2,905,006	3,427,000
Total	3,858,406	7,103,980

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	584,959	31,000
Communication, supplies and services	399,650	9,450
Domestic travel and subsistence	558,758	454,300
Printing, advertising and information supplies & services		304,500
Rentals of produced assets	–	–
Training expenses	1,447,000	5,126,000
Hospitality supplies and services	600,000	–
Insurance costs	–	139,164
Specialized materials and services	–	–
Office and general supplies and services	226,500	212,160
Fuel, oil & lubricants	800,000	600,000
Other operating expenses	470,000	3,500
Bank Charges	–	19,560
Routine maintenance – vehicles and other transport equipment	230,000	65,570
Routine maintenance – other assets		
Total	5,316,867	6,965,204

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	12,985,500	58,700,000
Transfers To Secondary Schools (See Attached List)	500,000	19,450,000
Transfers To Tertiary Institutions (See Attached List)	–	–
Total	13,485,500	78,150,000

Notes To the Financial Statements (Continued)

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	34,786,642	47,305,168
Bursary – tertiary institutions (see attached list)	12,889,000	27,908,674
Bursary – special schools (see attached list)	–	300,000
Mock & CAT (see attached list)	–	–
Social Security programmes (NHIF)	–	–
Security projects (see attached list)	500,000	1,750,000
Sports projects (see attached list)	–	3,400,000
Environment projects (see attached list)	–	–
Emergency projects (see attached list)	1,500,000	9,042,175
Roads projects (see attached list)	–	–
Total	49,675,642	89,706,017

9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	–	425,520
Refurbishment of Buildings	–	–
Purchase of Vehicles and Other Transport Equipment	–	–
Purchase of Household Furniture and Institutional Equipment	–	–
Purchase of Office Furniture and General Equipment	–	–
Purchase of ICT Equipment, Software and Other ICT Assets	–	–
Purchase of Specialized Plant, Equipment and Machinery	–	–
Rehabilitation and renovation of plant, machinery and equipment	–	–
Acquisition of Land	–	–
Acquisition Intangible Assets	–	–
Total	0	425,520

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10. Oversight committee expenses

	2022-2023	2021-2022
	Kshs	Kshs
Oversight committee expenses	400,000	0
	400,000	0

11. Other payments

	2022-2023	Insert Previous FY
	Kshs	Kshs
Strategic plan	—	—
ICT Hub	—	—
	0	0

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank Kitui Branch No. 0720261934286(Main account)</i>	17,953,936	1,291,158
<i>Name of Bank, account No. (Deposits account)</i>	—	—
Total	17,953,936	1,291,158
12 B: Cash on Hand		
Location 1	—	—
Location 2	—	—
Location 3	—	—
Other Locations (<i>Specify</i>)		
Total	0	0

Notes To the Financial Statements (Continued)

13. Outstanding Imprests

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	dd/mm/yy	Nil	Nil	Nil
Total		0	0	0

[Include an annex if the list is longer than 1 page.]

14. Retention

	<i>2022-2023</i>	<i>2021-2022</i>
	<i>KShs</i>	<i>KShs</i>
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	0	0

14. B Gratuity

	<i>2022-2023</i>	<i>2021-2022</i>
	<i>KShs</i>	<i>KShs</i>
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	0	0

15. Fund Balance B/F

	<i>(1st July 2022-2023)</i>	<i>(1st July 2021-2022)</i>
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	1,291,158	6,321,323
Cash in hand	—	—
Imprest	—	—
Total	—	—
Less	—	—
Payables: - Retention	—	—
Payables - Gratuity	—	—
Fund Balance Brought Forward	1,291,158	6,321,323

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Notes To the Financial Statements (Continued)

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	1,291,158		1,291,158
Cash in hand		—	—
Accounts Payables		—	—
Receivables		—	—
Others (<i>Reversed cheques</i>)		82,000	82,000
Total	1,291,158	82,000	1,373,158

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

17. Changes in Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	—	—
Imprest issued during the year (B)	—	—
Imprest surrendered during the Year (C)	—	—
closing accounts in account receivables D= A+B-C	—	—
Net changes in accounts Receivables D - A	0	0

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	0	0

Notes to the Financial Statements (Continued)

1. 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	0	0

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	—	—
Others (<i>specify</i>)	—	—
Total	0	0

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	551,592	158
Committee expense	248,771	—
Use of goods and services	373,283	—
Amounts due to other Government entities (see attached list)	48,067,500	800,000
Amounts due to other grants and other transfers (see attached list)	12,147,190	300,000
Acquisition of assets	—	—
Oversight committee expenses	982,150	—
Other Payments (<i>specify</i>)	2,200,000	—
Funds pending approval	598,483	191,000
Total	65,168,969	1,291,158

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	3,327,862	29,638,981
Total	3,327,862	29,638,981

xvi. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	Payment of staff salaries	551,592	158	Delay in disbursement
Committee expenses	Paying allowances	248,771		Delay in disbursement
Use of goods and services	Running of office	373,283		Delay in disbursement
Amounts due to other Government entities				
Primary school Projects				
Hon. Mutisya Primary School	Fencing of school compound	750,000		Delay in disbursement
Isovy Primary School primary	Renovation to completion of 6 classrooms	900,000		Delay in disbursement
Itulani Primary School	Fencing of a 333 M school compound with chain link and concrete poles	650,000		Delay in disbursement
Kalala Primary School	Renovation to completion of 4 classrooms.	600,000		Delay in disbursement
Kalivini Primary School	Renovation to completion of 8 classrooms.	1,200,000		Delay in disbursement
Kalulini Primary School primary	Completion of	335,500		Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	574 M school fence with chain link and concrete poles.			
Kamanyi Primary School	Renovation to completion of 5 classrooms.	750,000		Delay in disbursement
Kaoundu Primary School primary	Completion of administration block.	1,000,000	800,000	Delay in disbursement
Katothya Primary School	Renovation to completion of 4 classrooms.	600,000		Delay in disbursement
Kavisuni Primary School	Fencing to completion of 766M school compound with chain link and concrete poles	1,250,000		Delay in disbursement
Kavumbu Primary School	Construction to completion of 1 classroom	1,000,000		Delay in disbursement
Kikuuni Primary School	Renovation to completion of 9 classrooms.	1,350,000		Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Kilamba Primary School	Renovation to completion of 8 classrooms.	1,200,000		Delay in disbursement
Kisavi Primary School	Construction to completion of one classroom	1,000,000		Delay in disbursement
Kisayani Primary School	Completion of 690 M school fence with chain link and concrete poles.	487,500		Delay in disbursement
Kitungate Primary School	Construction to completion of a 130-capacity girl's dormitory.	2,000,000		Delay in disbursement
Konza Primary School	Completion of 590 M school fence with chain link and concrete poles; fencing of the remaining 200 meters	230,000		Delay in disbursement
Kwa-katungu Primary School	Fencing of 467M school compound with chain link and	850,000		Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	concrete posts.			
Kyamungi Primary School	Completion of 580 M school fence with chain link and concrete poles.	200,000		Delay in disbursement
Malatani Primary School	Construction to completion of one classroom	1,000,000		Delay in disbursement
Mamole Primary School	Construction of an Administration block.	1,600,000		Delay in disbursement
Mavindini Primary School	Renovation to completion of 5 classrooms.	1,000,000		Delay in disbursement
Muambani Primary School	Renovation to completion of 8 classrooms; plastering.	1,200,000		Delay in disbursement
Mumbe Primary School	Construction to completion of one classroom	1,000,000		Delay in disbursement
Muselele Primary School		900,000		Delay in disbursement
Muvyani Primary School	Completion of administration	200,000		Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	block.			
Ngangani Primary School	Completion of 880 M school fence with chain link and concrete poles.	600,000		Delay in disbursement
Seekea Primary School	Renovation to completion of 8 classrooms.	1,200,000		Delay in disbursement
Tanganyika Primary School	Construction to completion of a 130 capacity Girl's dormitory.	314,000		Delay in disbursement
Usang'a Primary School	Renovation to completion of 4 classrooms.	600,000		Delay in disbursement
Sub Total		25,967,000		
Secondary School Projects				
Hon.charcles -Kasevi Mixed Secondary School	Purchasing of 1.384 acres of Land for the construction of the proposed school	1,000,000		Delay in disbursement
Iani Mixed Secondary School	Completion of 2classroom.	450,500		Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Kanzau Mixed Secondary School	Construction to completion of a Principal's house and Depute house.	2,900,000		Delay in disbursement
Kavisuni Mixed Secondary School	Completion of 940 M school fence with chain link and concrete posts.	950,000		Delay in disbursement
Masimba Mixed Secondary School	Purchase of 46-seater school Bus.	7,900,000		Delay in disbursement
Mbitini Mixed secondary	Purchase of 46-seater school Bus.	7,900,000		Delay in disbursement
Tanganyika Mixed Secondary School	Construction to completion of one classroom	1,000,000		Delay in disbursement
Sub Total		22,100,500		
Sub-Total				
Amounts due to other grants and other transfers				
Emergencies	To cater for any	6,136,190		Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	unforeseen occurrences in the constituency during the financial year			
Subtotal		6,136,190		
Constituency Sports Tournament	Carry out sports activities	2,264,300		Delay in disbursement
Regional Sports Tournament	Carry out regional sports activities	500,000		Delay in disbursement
Subtotal		2,764,300		
Environment Projects				
Isovyia Primary School	Purchase of water tank and planting of trees	127,450		Delay in disbursement
Kitamaa Primary School	Purchase of water tank and planting of trees	127,450		Delay in disbursement
Ndokeani Primary School	Purchase of water tank and planting of trees	127,450		Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Kivuuni Primary School	Purchase of water tank and planting of trees	127,450		Delay in disbursement
Kavasya Primary School	Purchase of water tank and planting of trees	127,450		Delay in disbursement
Ng-cdf Office	Purchase of water tank and planting of trees	127,450		Delay in disbursement
Sub Total		764,700		
Security Projects				
Kilumya Assistant chiefs' office	Fencing of AP Post	700,000		Delay in disbursement
kithiani Assistant chiefs' office	Construction of Chief's office	700,000		Delay in disbursement
Ndunguni Assistant chiefs' office	Construction of Chief's office	700,000		Delay in disbursement
Iani AP Line	Construction of Chief's office	300,000	300,000	Delay in disbursement

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Sub-Total		2,400,000	300,000	
Acquisition of assets				
Oversight committee expenses	For inspection of projects	982,150		Delay in disbursement
Others (<i>specify</i>)				
Other payments(Strategic Plan)	Preparation of constituency strategic plan	2,200,000		Delay in disbursement
Sub-Total				
Funds pending approval(AIA)		598,483	191,000	
Grand Total		65,168,969	1,291,158	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	3,100,000			3,100,000
Buildings and structures	20,459,033			20,459,033
Transport equipment	6,255,506			6,255,506
Office equipment, furniture and fittings	1,470,365			1,470,365
ICT Equipment, Software and Other ICT Assets	–			–
Other Machinery and Equipment	–			–
Heritage and cultural assets	–			–
Intangible assets	–			–
Total	31,284,904			31,284,904

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

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Ikota Mwithe Primary	Equity Bank	720279718686	1,279.95	64,340
Ilovi Primary	Equity Bank	720278350531	65.60	146,992.60
Ituki Primary	Equity Bank	720277787104	17,177.99	766,577
Iviani Primary	Equity Bank	720270821025	992.60	1,001,132.50
Kalima Primary	Equity Bank	720279209223	2,339	62,294.00
Kalivini Primary	Equity Bank	720282089099	659	659.00
Kalulini Primary	Equity Bank	720270775648	165.50	600,900.00
Kamanyi Primary	Equity Bank	720280795557	9,700	97,969.00
Kangaatu Primary	Equity Bank	720270786909	685,081.75	97,969.00
Kangala Primary	Equity Bank	1670282097059	68,623.5	419,527.50
Kathome Primary	Equity Bank	720280846428	643	88,908.00
Katothya Primary	Equity Bank	720164136290	1709.65	1,709.65
Katumba Primary	Equity Bank	720277984074	1,585	1,585.00
Kavasya Primary	Equity Bank	720280043854	356.00	409,052.50
Kavonge Primary	Equity Bank	720270897501	24,120	24,120.00
Kavoo Primary	Equity Bank	720297600880	352.10	101,401.10
Kavumbu Primary	Equity Bank	720279064254	8090.50	155,260.50
Kiimani Primary	Equity Bank	720274034728	663	1,003,890.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Kilivi Primary	Equity Bank	720269668937	609.55	999,649.55
Kisavi Primary	Equity Bank	720278894798	12,483.25	112,405.25
Kisayani Primary	Equity Bank	720270819181	658.55	623.00
Kitamaa Primary	Equity Bank	720270775189	1,212	1,212.00
Kitooneo Primary	Equity Bank	720278923892	1,457.60	930,308.50
Kitungate Primary	Equity Bank	720264080491	2,015.20	2,015.00
Kivuuni Primary	Equity Bank	720271001389	1,367.30	151,310.00
Konza Primary	Equity Bank	720278756545	409	70,420.00
Kwa Kasau Primary	Equity Bank	720270928891	1,042	503,675.00
Kwa Kilya Primary	Equity Bank	720282063965	990	221,490.00
Kwa Kutu Primary	Equity Bank	720278902148	1,400	61,270.00
Kwa Vonza Primary	Equity Bank	720278049117	548.50	6,668.50
Kyaithani Primary	Equity Bank	720278915643	6,067.50	80,627.50
Kyuluni Primary	Equity Bank	720278948538	1,649	1,649.00
Kyunduani Primary-Kanyongonyo	Equity Bank	720277796180	187.1	1,590,504.10
Kyunduani Primary-Kalulini	Equity Bank	720282739649	1,459	0.00
Maito Primary	Equity Bank	720270779676	3,935	153,861.00
Maiyuni Primary	Equity Bank	720270825136	572,580	1,004,580.00
Makukani Primary	Equity Bank	720278854563	117	1,022,170.00
Maliku Primary	Equity Bank	720277827586	899	899.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Malimbani Primary	Equity Bank	720278924139	2,274.90	1,001,774.90
Matulani Primary	Equity Bank	720278902606	33,172	230,938.00
Mavindini Primary	Equity Bank	720270788251	2,026	2,026.00
Mbetwani Primary	Equity Bank	720278655493	1,867.10	62,867.10
Mbitini Primary	Equity Bank	720263768682	545.29	110,298.26
Mbitini Primary-Kanyonyoo	Equity Bank	720271004773	137.50	137.50
Mukundi Primary	Equity Bank	270807546	1,252	1,000,915.00
Muselele Primary	Equity Bank	720278151410	2,447	2,447.00
Musingi Primary	Equity Bank	720277747977	2,811.20	302,725.20
Muvyani Primary	Equity Bank	720278680820	3,550	3,550.00
Mwiwe Primary	Equity Bank	720264080733	3,999.95	78,649.95
Ndokeani Primary	Equity Bank	720277510315	1,271.50	1,000,162.50
Ngakaani Primary	Equity Bank	720278666506	50,440	264,226.00
Ngangani Primary	Equity Bank	720270794258	3750	3,750.00
Ngiluni Primary	Equity Bank	720279009389	4,480.89	4,480.89
Ngovu Primary	Equity Bank	720278049366	2,091.50	62,025.50
Nzeveni Primary	Equity Bank	720278049612	2,179.25	102,134.25
Tanganyika Primary	Equity Bank	720163802337	0.00	121,807.60
Thilani Primary School	Equity Bank	720279938201	1,000	480,000.00
Ulungu Primary	Equity Bank	720270794036	3,081	31,057.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Ungaatu Primary	Equity Bank	720278563466	1,972	76,796.00
Utawala Primary	Equity Bank	720282638062	1,613.70	178,079.70
Waivumbu Primary	Equity Bank	720199712561	0.00	560.00
Wayani Primary	Equity Bank	720271148081	2,935.0	2,935.00
Wingoo Primary	Equity Bank	720270575971	1,074.30	1,074.30
Wumu Primary	Equity Bank	720278150545	2,133.55	2,133.55
Yovovo Primary	Equity Bank	720270787510	770.0	770.00
Hon. Mutisya Primary	Equity Bank	720163800721	0.00	45,929.90
Kyamboo Primary	Equity Bank	720270735782	12,785.85	42,715.85
Kyenze Primary	Equity Bank	720270735808	301,200	301,200.00
Kyuasini Primary	Equity Bank	720278862861	1,580	301,640.00
Ilika Secondary	Equity Bank	720278984650	1,643.75	1,001,125.75
Kavisuni Mixed Secondary	Equity Bank	720278981585	72,095	457,510.00
Masaani Mixed Secondary	Equity Bank	720261705958	1,065.25	2,500,725.25
Matu Mixed Secondary	Equity Bank	720262338780	933.0	2,500,455.00
Mbitini Complex High School	Equity Bank	720282008117	2,000.00	2,000.00
St. Paul Kwa Vonza Secondary	Equity Bank	720264085201	2,990.65	1,051,091
Iiani Mixed Secondary	Equity Bank	720264079698	12,098.50	57,022.00
Kalulini Mixed Secondary	Equity Bank	720279044885	1,072,850	1,072,850.00
Kyangi Boys Secondary	Equity Bank	720276009301	4,474.30	499,474.3

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Kivuuni Mixed Secondary	Equity Bank	720279020027	28.10	28
Kyaithani Mixed Secondary	Equity Bank	720261754519	8,705	8,705
Mbitini Mixed Secondary	Equity Bank	720262196680	2,888.50	279,422.50
Ngiluni Secondary	Equity Bank	720278504270	5,606	5,606.00
Nyanyaa Ass Chiefs Office	Equity Bank	720282064574	529	529.00
Nzambia Chiefs Office	Equity Bank	720282190664	40,413.0	175,000
Kanyongonyo Ap Line	Equity Bank	720270055942	800	250800
Ndwila Primary School	Equity Bank	720282491125	5,800.00	300500
Kanzau Ass Chiefs Office	Equity Bank	720282557424	237.50	30222.5
Mukameni Ass Chiefs Office	Equity Bank	720282203944	497.55	30396.55
Hon. Mwalika Ipc Kamulu	Equity Bank	0720279066241	3,837.50	
Hon.Charles Nyamai Muvitha Sec	Equity Bank	0720261708368	85,378.50	
Iiani Primary School	Equity Bank	0720264107091	936.55	
Ikave Mixed Secondary School	Equity Bank	0720278547915	1,448.71	
Ituki Mixed Secondary School	Equity Bank	0720279122585	1,055.70	1,055.70
Isovyia Primary School primary	Equity Bank	0720270785906	442	
Itulani Primary School	Equity Bank	0720278216659	1,545	
Kalala Primary School	Equity Bank	0720279107785	1,519.55	
Kavisuni Primary School	Equity Bank	0720278455790	530	
Kikuuni Primary School	Equity Bank	0720270779095	244.55	

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Kilamba Primary School	Equity Bank	0720278766131	3,915	
Kiliko Primary School	Equity Bank	0720278515882	446.99	
Kwa-kitungu Primary School	Equity Bank	0720271650155	2,260.85	
Kyamungi Primary School	Equity Bank	0720162527601	2,095	
Malatani Primary School	Equity Bank	0720278863578	690	
Mamole Primary School	Equity Bank	0720165974408	0.00	
Mbananga Primary School	Equity Bank	0720279040546	88.70	
Muambani Primary School	Equity Bank	0720270790092	895	
Mumbe Primary School	Equity Bank	0720271424009	1,937.95	
Ngomoni Primary School	Equity Bank	0720280815683	1,006.85	
Ngulilu Primary School	Equity Bank	0720270826702	762	
Nguuni Primary School	Equity Bank	0720278945221	61,661.70	
Seekea Primary School	Equity Bank	0720280044605	13,391.50	
Usang`a Primary School	Equity Bank	0720264085834	4,094.95	
Hon.charcles -Kasevi Mixed Secondary School	Equity Bank	0720278864307	440	
Kanzau Mixed Secondary School	Equity Bank	0720278612818	24	
Masimba Mixed Secondary School	Equity Bank	0720279060506	255.15	
Tanganyika Mixed Secondary School	Equity Bank	0720197369296	0.00	
Kaoundu Primary School	Equity Bank	0720278458788	15,023.95	15,023.95
Kawongo Mixed Secondary School	Equity Bank	0720282252650	3,087.50	1,620,007.50

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
TOTAL			3,327,862.47	29,638,981

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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)
1.Inaccuracy in compensation of employees	The statement of Receipts and expenditure as disclosed in note 4 to the financial statement reflects a balance of Ksh3, 957,202 in respect to compensation of employees which included transport allowance of Ksh 1,672,684. However review of records show that the expenditure was charged to compensation of employees instead of use of goods and services. In the circumstances the accuracy of compensation of employees of Ksh 3,957,202 could not be confirmed.	Expenditure items to be charged in the correct class of account and document presented for review to the auditors for the review purposes.	Not Resolved	3 Months
2.Unsupported PMC balances	Note 17.4 and annex 5to the financial statement reflects PMC account balances totalling to Ksh 29,638,981 for 91 one accounts . However Annex 5 to the financial statements reflected nil closing balances for 85 projects. Out of the 91 projects PMC bank account which had balances totalling to	PMC bank certificates to be provided for review. Bank statements of the various PMC accounts to be provided for review purposes	Not Resolved	3 Months

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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)
	Ksh 40,795,684 at the beginning of the financial year. In addition PMC certificates of bank balances were not provided for audit.			
3. wrongly charged expenditure in other grants and transfers	The statement of receipts and payments as disclosed in Note 7 to the financial statement reflects other grants and transfers totalling to Ksh 89,706,017 which includes bursary to secondary schools and tertiary institutions of Ksh 47305,168 and Ksh 27,908,674 respectively. However review of the supporting expenditures totalling to Ksh 1688,500 was charged under bursary in addition the expenditure included use of goods and services. In circumstances the accuracy of grants and transfers could not be confirmed.	Expenditure items to be charged in the corrects class of account and document presented for review	Not Resolved	3 Months
4. unsupported sports expenditure	The statement of receipts and payments as disclosed in Note 7 to the financial statement reflects other grants and transfers amounting to Ksh 89, 7016,017 which includes sports expenditure of Ksh 3,400,000 which further includes imprest of Ksh 1,871,000. However review of the supporting	Documents supporting the expenditure to be provided for review purposes.	Not Resolved	3 Months

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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)
	documents review that the receipts did not have official stamps, dates and reference numbers. In the circumstances the accuracy of the sports expenditure amounting to Ksh 1871,000 could not be confirmed			
5 .Unsupported fuel expenditure	The statement of receipts and payments as disclosed in Note 5 to the financial statement reflects Ksh 14,069,184 in respect to use of goods and services which include fuel expenditure of Ksh 600,000 however supporting documents including the supplier statement and fuel register were not provided for review.. In the circumstances the completeness and accuracy of fuel, oil and lubricants could not be confirmed.	Fuel registers and fuel statements which were not provided at the time of audit to be provided for review purposes.	Not Resolved	3 Months
6. unsupported transfers to other government units	The statement of receipts and payments as disclosed in Note 6 to the financial statement reflectstransfers to other government units of Ksh 78,150,000 which includes transfers to primary and secondary of Ksh 58,700,000 and Ksh 19,450,000respectively however	Bill of quantities and work plans which were not provided at the time of audit to be provided for review purposes.	Not Resolved	3 Months

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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)
	transfers were not properly supported with approved bill of quantities and work plans.			
7 Un updated PIS	The Fund management awarded contracts for construction of various projects however the project implementation status was not properly updated to show the various stages of implementation of the projects.	Projects implementation status has been updated	Resolved	
8 Irregular bursary disbursement	Review of the subcommittee expenditure documents revealed that Ksh 89,706,017 was issued as bursary to secondary schools and tertiary institutions however committee vetting minutes were not availed for review purposes	Minutes of vetting to be provided for review purposes	Not Resolved	3 Months
9 Lack of a Risk Management Policy	Regulation 165(1) of the Public Finance Management (National Governments) Regulations, 2015, states that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations. Further, it is a requirement for	The management commits to put in place a risk management policy for identification, assessment and management of risk.	Partially resolved	3 Months

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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)
	national government entities to develop and implement a risk management framework as guided by the Treasury Circular No. 3/2009 of 23 February 2009 and the Guidelines on Implementation of Institutional Risk Management Policy Framework (IRMPF) in the public Sector.			

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 Ezekiel K.Mwangangi
 Fund Account Manager.