

REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 14 AUG 2024

REPORT

WEDNESDAY

TABLED BY: HON. DUNCAN BAMA MP  
DEPUTY LEADER OF THE  
MAJORITY PARTY

CLERK-AT-THE-TABLE: RESEARCH NG INTO

PARLIAMENT OF KENYA LIBRARY

**THE AUDITOR-GENERAL**

**ON**

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

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

*Revised Template 30<sup>th</sup> June 2023*



---

**TESO SOUTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

---

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

<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Glossary of terms .....	ii
2. Key Constituency Information and Management.....	iii
3. NG-CDFC Chairman’s Report .....	vii
4. Statement Of Performance Against Predetermined Objectives for FY2022/2023.....	xii
5. Governance Statement.....	xiv
6. Environmental and Sustainability Reporting .....	xviii
7. Statement Of Management Responsibilities.....	xxii
8. Report Of the Independent Auditors On The NGCDF- Teso South Constituency.....	xxiv
9. Statement Of Receipts and Payments for the Year Ended 30th June 2023.....	1
10. Statement Of Assets and Liabilities As At 30th June, 2023 .....	2
11. Statement Of Cash Flows for The Year Ended 30th June 2023.....	3
12. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	5
13. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023.....	7
14. Significant Accounting Policies .....	12
15. Notes To the Financial Statements .....	18
16. ANNEXES.....	20

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

---

**1. Acronyms and Glossary of terms**

*Provide a list of all applicable acronyms and glossary of terms used in the annual report and financial statements e.g.*

DA	District Accountant
CDF	Constituency Development Fund
IPSAS	International Public Sector Accounting Standards.
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
PFM	Public Finance Management
FY	Financial Year

## **2. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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

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

---

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

**Vision**

Equitable Socio-economic development countrywide.

**Mission**

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

**Core Values**

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

**Functions of NG-CDF Committee**

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

**(b) Key Management**

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

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

**Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Patrick Malongo Lidovolo
2.	Sub-County Accountant	Michael Ogolla
3.	Chairman NGCDFC	Judith Otieng'
4.	Member NGCDFC	James Amina Otwani

**(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Teso South Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(d) Teso South Constituency NGCDF Headquarters**

P.O. Box 19-50403  
NGCDF Building  
Nambale –Amukura Road  
AMUKURA, KENYA

**(e) Teso South Constituency NGCDF Contacts**

Telephone: (254) 720028664  
E-mail: [cdftesosouth@ngcdf.go.ke](mailto:cdftesosouth@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

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

---

**(f) Teso South Constituency NGCDF Bankers**

Equity Bank  
Busia Branch  
P.O. Box 258

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

### 3. NG-CDFC Chairperson's Report



**Chairperson; Judith Otieng**

The financial year 2022/2023 that ended on 30th June 2023 was a great year full of success and challenges in terms of conceptualization, approvals and implementation of the various projects within the constituency. Upon assumption of office, we had a robust public Participation exercises that enabled the Committee listen to the public proposals in all the four wards that culminated in prioritizing of Constituency projects proposals. Then was the approval process that took quite a time and upon approvals, the implementation of Projects. With limited time available, the Constituency received a total allocation of Ksh. 151,960,174 of which only Ksh. 57,000,000 was disbursed and utilized.

The table below shows a summary of the budget and the implementation level

<b>PAYMENT</b>	<b>2022-2023</b>	<b>2021-2022</b>
Compensation of employees	2,933,728	3,124,026
Committee expenses	3,377,070	6,755,950
Use of goods and services	534,675	4,864,049
Transfers to Other Government Units	-	104,022,276
Other grants and transfers	48,074,269	45,872,633
Acquisition of Assets	5,544,800	-
<b>TOTALS</b>	<b>60,464,543</b>	<b>164,638,934</b>

Table 1: Summary of Payments

From the above analysis, the performance of Teso South NG-CDFC has been exemplary given the circumstances and this is as a result of teamwork among the NG-CDFC and the various stakeholders. We intend to perform better in the coming financial year so that the residents of Teso South can get value for their money and better services.

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

---

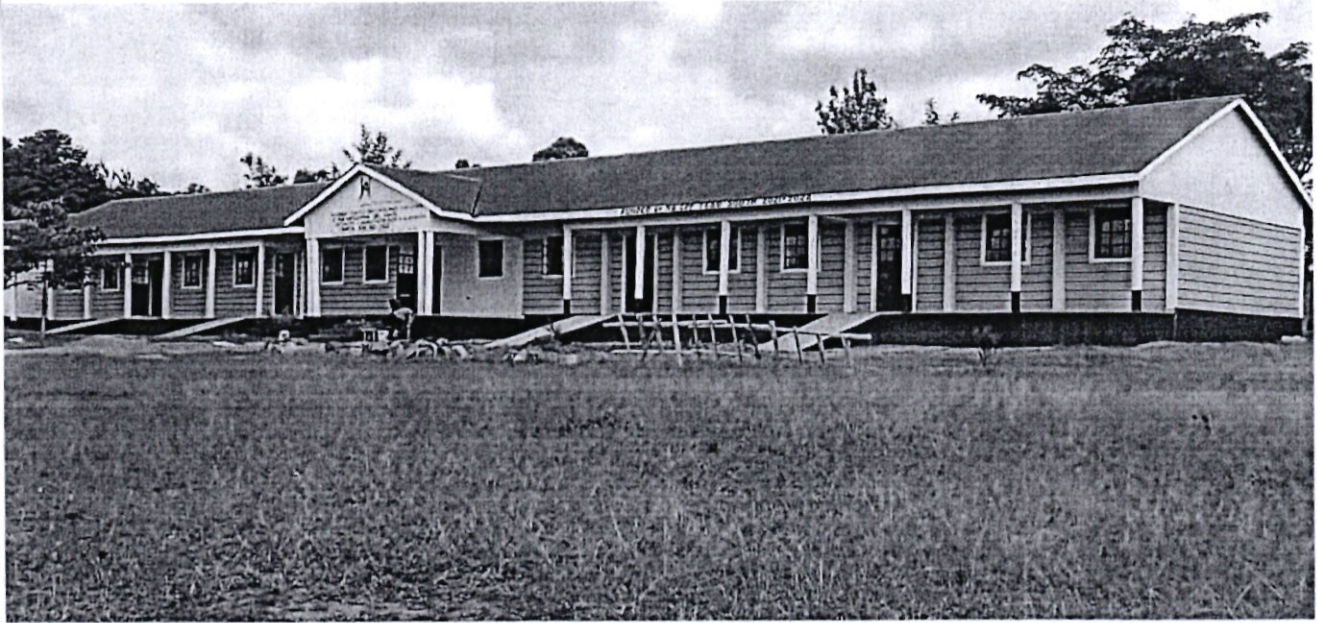
During the financial year under review, Teso South NGCDF Committee achieved quite a lot key among them are listed below;

- I. Teso South NGCDF employed suitably qualified and competent staff to serve the Constituents.
- II. Bursaries were issued to over 6,300 needy students across the constituency. The students were able to learn without much interruption.

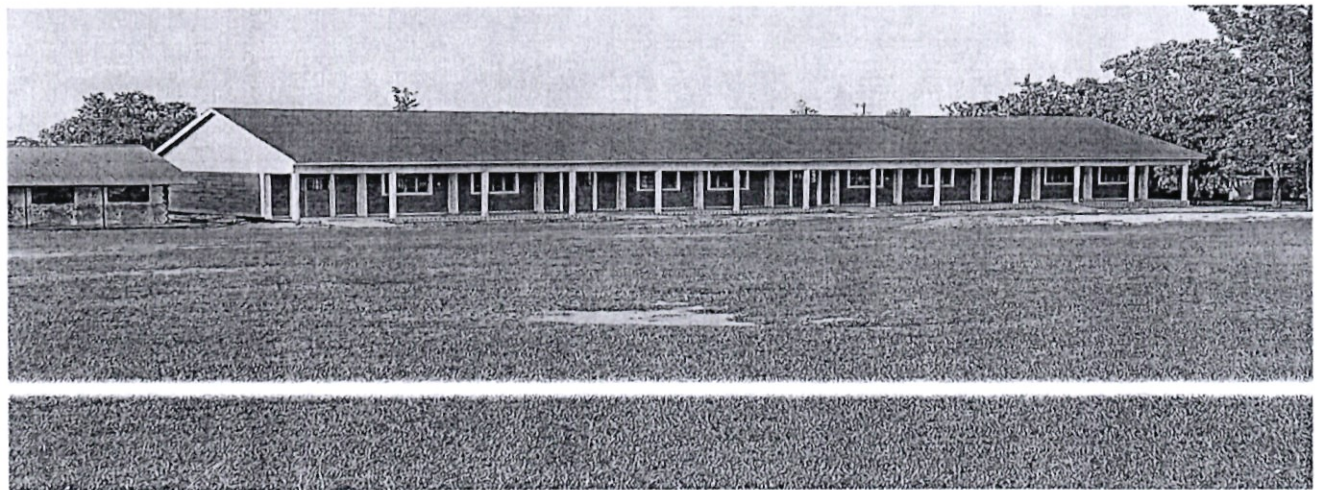
The following are some of the best projects that Teso South NGCDF Committee has implemented over time.



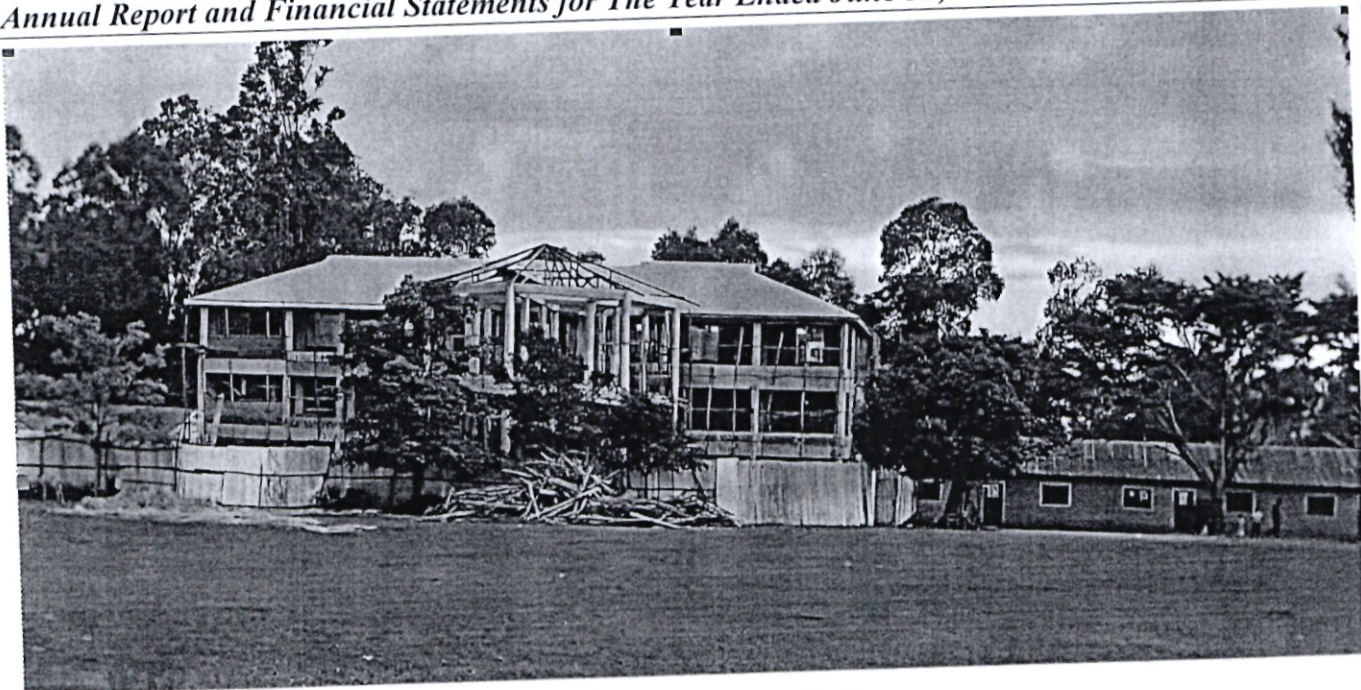
*Figure 1: Kamunoit Primary School – Construction of 4 no. classrooms*



*Figure 2: St. Pius Katelenyang Primary School – Construction of 4 no. classrooms with Administration Block*



*Figure 3: Osuret Primary School – Construction of 4 no. classrooms*



*Figure 4 Ongoing two-storey building at Kaliwa Primary School*

### **1. Emerging Issues**

During the financial year under review, the following were the emerging issues that the NGCDFC had to handle;

- I The campaign period which climaxed into a General Election off towards the start of the financial year that affected the pace at which various projects were being undertaken.
- II. The new Competency Based Curriculum (CBC) programme which increased demand for infrastructure in the various secondary schools within the constituency.

#### **ii. Challenges**

Major challenges faced by the Fund include;

- 1) Delay in disbursement of funds from the board.
- 2) Inadequate capacity of the project management committee.

#### **iii. Way forward**

Board needs to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the various institutions need to lobby for funding from other agencies including the NGOs to avoid overreliance on the NGCDF funding.

.....  
**Judith Otieng'**  
**Chairperson NGCDF Committee**

#### 4. 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 *Teso South Constituency 2023-2028* plan are to:

##### **Strategic Area One: Education**

**Objective:** Improve the academic performance, infrastructure and the enrolment rate in all learning institutions.

**Initiative:** Infrastructure has been improved in schools through construction of modern classrooms housing 45 students each, construction of administration blocks, laboratories and purchase of land for schools which required land expansion.  
Bursaries have been awarded to needy students in various learning institutions.

##### **Strategic Area Two: Security**

**Objective:** Improve the overall security of all residents and reduce crimes.

**Initiative:** Chiefs offices have been constructed in several locations.  
Police camps have been constructed to help in security matters

##### **Strategic Area Three: Environment & Sanitation**

**Objective:** Increase access to safe water, improved sanitation and conservation of natural resources.

**Initiative:** Modern pit latrines have been constructed in several learning institutions in order to improve of sanitation.

##### **Strategic Area Four: Electrification**

**Objective:** Improve accessibility and access to electricity for continued economic development.

**Initiative:** Through government program of last mile, most residents of Nambale Constituency have benefited from electricity.

##### **Strategic Area Four: Disaster management**

**Objective:** Ensure transparent, accountable, responsive governance and sustainable use of public resources.

**Initiative:** Teso South NGCDFC have ensured that all the institutions which got emergency cases during the financial year were helped through constructing of modern pit latrines.

##### **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	Increased enrolment in	- Number of usable	In FY 22/23 -We increased number of

	going age attending school	primary schools and improved transition to secondary schools and tertiary institutions	physical infrastructure build in primary, secondary, and tertiary institutions - Number of bursary's beneficiaries at all levels	classrooms to in learning institutions through construction of 22 classrooms, and 16 sanitation facilities - Bursary beneficiaries increased in 2022/23 to over 6,000 students compared to last FY at all levels (secondary and Tertiary students).
Security	Improve the overall security of all residents and reduce crimes.	Enhanced presence of security personnel	% coverage of security personnel and Number of facilities constructed	We increased the security infrastructure by construction of 1 police headquarters to improve the security of the residents of Teso South Constituency
Environment	Increase access to safe water, improved sanitation and conservation of natural resources	Enhanced increase in modern sanitation in several learning institutions and improved ecosystem.	Number of sanitation blocks constructed across all levels.	We increased the number sanitation under environment by construction of 12 semi improved sanitation blocks, we also constructed base water tank for collection of rain water. world Environment day by planting
Sports	Sports infrastructure development and promotion of positive cultural practices.	Improved sports within the constituency and social cohesion	Reduced youth idleness and behaviour modification	We facilitated acquisition of sports material through purchase balls and kits) for different over 15 teams within the constituency to support sports activities.
Emergency		Enhanced preparedness towards uncertainties and unforeseen events.	-Presence of physical infrastructure constructed in institutions.	-We facilitated construction of 30 semi improved sanitation blocks which sunk due to poor drainage and soil.

(entity may present this information in the table format above or

## **5. Governance Statement**

Section 43. Subsection 1 established a National Government Constituency Development Fund Committee for every constituency as follows:

(2) Each Constituency Committee shall comprise of-

(a) the National government official responsible for co-ordination of national government functions;

(b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;

(c) two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;

(d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);

(e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;

(f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.

(g) One member co-opted by the Board in accordance with Regulations made by the Board.

(3) The seven persons referred to in subsection (2) (b), (c), (d) and (e) shall be selected in such a manner and shall have such qualifications as the Board may, by Regulations, prescribe.

(4) The names of the person's selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

(5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.

(6) The first meeting of the Constituency Committee shall be convened within sixty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence by an officer of the Board seconded to the constituency.

(7) The quorum of the Constituency Committee shall be one half of the total membership.

(8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

(9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions

occasioned by general elections or a by-election.

(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of thirty days.

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

(12) The Constituency Committee shall, at its discretion, determine the quantum of instalments to various projects in the constituency, taking into account the disbursement received and the requirement of different projects.

(13) 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.

(14) A decision to remove a member under subsection (13) shall be 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.

(15) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

(16) A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution:

- (a) serious violation of the Constitution or any other law including a contravention of Chapter Six;
- (b) gross misconduct, whether in performance of the member or office holder's functions or otherwise;
- (c) incompetence;
- (d) bankruptcy; or
- (e) any other cause as may be deemed justifiable.

(2) On receiving a petition under subsection (1), the Board may suspend the Constituency Committee pending the outcome of the complaint.

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

---

(3) The Board shall, consider the petition, hear all or part of the members of the committee and where it is satisfied that the petition discloses sufficient ground for dissolution, dissolve the Constituency Committee.

(4) Vacancies arising as a result of the removal of all the members of the Constituency Committee under subsection (3) shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members.

**Allowances & Remunerations of the NGCDF Committee Members**

During the year under review, Teso South NG-CDF Committee held 16 sittings including sub-committees at a cost of Ksh 1,475,000.

The sub-committees in place are as follows;

- Bursary Sub-committee
- Complaints Handling Sub-Committee
- Monitoring and evaluation sub-committee

The NGCDF Committee is composed of 10 members who were gazetted on 29<sup>th</sup> Nov 2022 with the following representation;

- Male Adult Representative
- Female Adult Representative
- Male Youth Representative
- Female Youth Representative
- Female –Constituency Office Representative
- Male- Constituency Office Representative
- Representative of Persons Living with Disability
- The Board co-opted member
- The Deputy County Commissioner
- The Officer of the Board

The members are also expected to be given allowances when they do monitoring and evaluation of projects across the constituency.

**Disclosure 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 under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made.

A member of the committee who contravenes subparagraph (1) shall cease to be a member of the committee upon direction of the Board.

### **Ethics and Conduct**

The members of the NGCDF Committee are public officers who are governed by the Constitution under chapter six, Code of Conduct and the Employment Act 2007.

The members therefore are expected to subscribe to the above laws within their tenure of office failure to which their contracts can be terminated.

### **Risk Management**

The NGCDF Board has developed a risk management policy that guides the committees at the constituency level in ensuring the risks are mitigated or prevented.

With the help of audit and risk department at the board, the committees are able to monitor areas of potential risks and be able to report to the NGCDF board on a monthly basis.

## **6. Environmental and Sustainability Reporting**

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

### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Teso South NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector support:** Among its key pillars, NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

## **2. Environmental performance**

- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF for example the construction of Amukura Police Headquarters has reduced drug abuse by the youth around the centres and institutions.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters. Teso South NGCDF was able to organize a sports tournament that included tree planting.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Teso South constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Teso South constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

#### **4. Market place practices-**

Teso South NGCDF Constituency is committed to fair and ethical market practises. The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

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

##### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

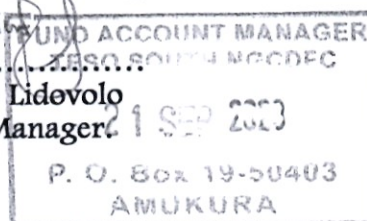
The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

### **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.

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

.....  
**Patrick Malongo Lidovolo**  
Fund Account Manager



## **7. Statement Of Management Responsibilities**

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

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

The Accounting Officer in charge of the NGCDF-Teso South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF- Teso South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Teso South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted

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


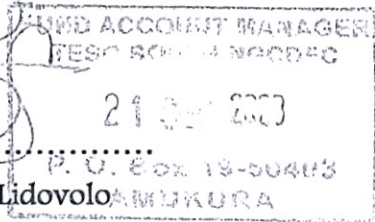
for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Teso South Constituency financial statements were approved and signed by the Accounting Officer on 21/09/2023.



**Judith Otieng'**  
Chairperson – NGCDF Committee

  
  
FUND ACCOUNT MANAGER  
TESO SOUTH NGCDF  
21 09 2023  
P. O. Box 19-00403  
AMUKURA

**Patrick Malongo Lidovolo**  
Fund Account Manager

# REPUBLIC OF KENYA

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



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

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

---

### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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, 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 National Government Constituencies Development Fund - Teso South Constituency set out on pages 1 to 44, 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 the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter 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 - Teso South Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **Unsupported Project Management Committee Account Balances**

Note 19.4 reflects a balance of Kshs.8,515,160 in respect of Project Management Committee (PMC) account balances which, as detailed in Annex 5, comprises of account balances held by Project Management Committees in seventy-four (74) bank accounts. However, bank confirmation certificates, bank statements, bank reconciliation statements and cash books were not provided to support the balances.

In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.8,515,160 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Teso South Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.172,191,762 and Kshs.65,142,709 respectively, resulting to an under-funding of Kshs.107,049,053 or 62% of the budget.

Similarly, the statement reflects actual expenditure of Kshs.60,464,543 against actual receipts of Kshs.65,142,704 resulting to under-utilization of Kshs.4,678,166 or 7% of the total receipts

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

My opinion is not modified in respect of this matter.

### **Key audit Matter**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

#### **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**

#### **Delayed Project Implementation Status**

During the year under review, the Fund had planned to implement twenty-three (23) projects with an allocated amount of Ksh.135,817,645. However, as at the time of audit in March, 2024, seven (7) or 31% of the projects valued at Kshs.11,100,000 had been completed, fourteen (14) or 61% of projects valued at Kshs.120,017,645 were ongoing, one (1) or 4% of projects valued at Kshs.1,500,000 had not started while another one (1) or 4% valued at Kshs.3,200,000 had stalled.

In the circumstances, value for money was not obtained from the fourteen (14) incomplete projects, one (1) project that had not started and the one (1) stalled project.

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

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

### **Conclusion**

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

### **Basis for conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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

  
FCPA Nahey Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

19 June, 2024

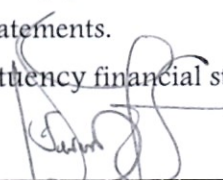
*Teso South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	57,000,000	170,088,879
Proceeds From Sale of Assets	2		
Other Receipts	3		77,000
<b>Total Receipts</b>		<b>57,000,000</b>	<b>170,165,879</b>
<b>Payments</b>			
Compensation of Employees	4	2,933,728	3,124,026
Committee expenses	5	3,377,070	
Use of Goods and Services	6	534,675	11,619,999
Transfers To Other Government Units	7		104,022,276
Other Grants and Transfers	8	48,074,269	45,872,633
Acquisition Of Assets	9	5,544,800	
Other Payments	10		
<b>Total Payments</b>		<b>60,464,543</b>	<b>164,638,934</b>
<b>Surplus/ (Deficit)</b>		<b>(3,464,543)</b>	<b>5,526,945</b>

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 21/09/2023 and signed by:

  
Fund Account Manager

FUND ACCOUNT MANAGER  
TESO SOUTH NGCDFC  
Name: Patrick Lidovolo

21 SEP 2023

P. O. Box 19-00403  
AMUKURA

  
National Sub-County  
Accountant

Name: Michael Ogolla  
ICPAK M/No:

  
Chair NG-CDF Committee

Name: Judith Otieng'

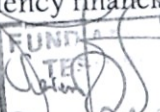

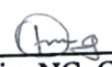
*Teso South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	11A	4,678,166	8,142,709
Cash Balances (Cash at Hand)	11B		
<b>Total Cash and Cash Equivalents</b>		<b>4,678,166</b>	<b>8,142,709</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	12		
<b>Total Financial Assets</b>		<b>4,678,166</b>	<b>8,142,709</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	13		
Gratuity	14		791,870
<b>Total Financial Liabilities</b>			<b>791,870</b>
<b>Net Financial Assets</b>		<b>4,678,166</b>	<b>7,350,839</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	8,142,709	1,823,894
Prior Year Adjustments	16		
Surplus/(Deficit) for The Year		(3,464,543)	5,526,945
<b>Net Financial Position</b>		<b>4,678,166</b>	<b>7,350,839</b>

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 21/09/2023 and signed by:

 <b>FUND ACCOUNT MANAGER</b> <b>NGCDF</b>		
<b>Fund Account Manager</b>	<b>National Sub-County Accountant</b>	<b>Chair NG-CDF Committee</b>
<b>Name: Patrick Lidovolo</b>	<b>Name: Micheal Ogolla</b>	<b>Name: Judith Otieng'</b>
	<b>ICPAK M/No:</b>	

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

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	57,000,000	170,088,879
Other Receipts	3		77,000
<b>Total Receipts</b>		<b>57,000,000</b>	<b>170,165,879</b>
<b>Payments</b>			
Compensation Of Employees	4	2,933,728	3,124,026
Committee Expenses	5	3,377,070	
Use Of Goods and Services	6	534,675	11,619,999
Transfers To Other Government Units	7		104,022,276
Other Grants and Transfers	8	48,074,269	45,872,633
Other Payments	10		
<b>Total Payments</b>		<b>54,919,743</b>	<b>164,638,934</b>
<b>Total Receipts Less Total Payments</b>		<b>(2,080,257)</b>	<b>5,526,945</b>
Adjusted For:			
Prior Year Adjustments	16		
Decrease/ (Increase) In Accounts Receivable	17		
Increase/ (Decrease) In Accounts Payable	18		538,544
<b>Net Cash Flow from Operating Activities</b>		<b>(2,080,257)</b>	<b>6,065,489</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2		
Acquisition Of Assets	9	(5,544,800)	
<b>Net Cash Flows from Investing Activities</b>		<b>(5,544,800)</b>	
Net Increase In Cash And Cash Equivalentents		<b>(3,464,543)</b>	<b>6,065,489</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>11</b>	<b>8,142,709</b>	<b>2,077,220</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>11</b>	<b>4,678,166</b>	<b>8,142,709</b>

*Teso South 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 2/1/2023 2023 and signed by:



Fund Account Manager. [Signature]

Name: Patrick Lidovolo

[Signature]  
National Sub-County  
Accountant  
Name: Michael Ogolla  
ICPAK M/No:

[Signature]  
Chair NG-CDF Committee

Name: Judith Otieng'

12. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfers From NGCDF Board	151,960,174	8,142,709	12,088,879	172,191,762	65,142,709	107,049,053	37.8%
Proceeds From Sale of Assets							
Other Receipts							
<b>Totals</b>	<b>151,960,174</b>	<b>8,142,709</b>	<b>12,088,879</b>	<b>172,191,762</b>	<b>65,142,709</b>	<b>107,049,053</b>	<b>37.8%</b>
<b>Payments</b>							
Compensation Of Employees	3,756,640	860,000		4,616,640	2,933,728	1,682,912	63.5%
Committee Expenses	5,575,602	980,000		6,555,602	3,377,070	3,178,532	51.5%
Use Of Goods and Services	5,863,775	456,200		6,319,975	534,675	5,785,300	8.5%
Transfers To Other Government Units	60,121,428	3,248,000	6,577,758	69,947,186		69,947,186	0.0%
Other Grants and Transfers	61,542,729	2,598,509	5,511,121	69,652,359	48,074,269	21,578,090	69%
Acquisition Of Assets	5,600,000			5,600,000	5,544,800	55,200	99%
Other Payments	1,500,000			1,500,000		1,500,000	0.0%
Funds Pending Approval**	8,000,000			8,000,000		8,000,000	0.0%
<b>Totals</b>	<b>151,960,174</b>	<b>8,142,709</b>	<b>12,088,879</b>	<b>172,191,762</b>	<b>60,464,543</b>	<b>111,727,219</b>	<b>35.1%</b>

\*\*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.*


**Teso South Constituency**  
**National Government Constituencies Development Fund (NG-CDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**


- a) The Teso South Constituency received only Ksh. 65,142,709 out of which Ksh. 60,464,543 which represents 35.1% utilization. This underutilization was mainly due to the delays in disbursements from the Board that was occasioned by project proposal approvals issues.
- b) Among the main votes which received highest allocations were Transfer to other grants and transfers at 76.8%, Compensation to employees, 63.5% and Committee Expenses at 51.5%. This was attributable to Bursary grants and operational cost for Committees and staff.
- c) The other votes like Use of goods & Services (8.5%), Transfer to other Government Entities (0%), Oversight Committee Expenses (0%) and Other payments (0%) were minimally utilized due to delay in funds disbursements.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities		Amount
Description		
Budget utilisation difference totals		111,727,219
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023		(107,049,053)
		4,678,166
Increase/(decrease) Accounts payable		
(Decrease)/Increase Accounts Receivable		
Add/Less Prior Year Adjustments		
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023		4,678,166

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-CDF on 21/09 2023 and signed by:

**FUND ACCOUNT MANAGER**  
**TESO SOUTH NG-CDFC**  
**Fund Account Manager**  
**Name: Patrick Lidovolo 50403**  
**AMUKURA**

  
**National Sub County Accountant**  
**Name: Michael Ogolla**  
**ICPAK M/No:**

  
**Chair NG-CDF Committee**  
**Name: Judith Otieng'**

13. Budget Execution By Sectors And Projects for The Year Ended 30<sup>th</sup> 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
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,476,640	860,000		4,336,640	2,933,728	1,402,912
1.2 Committee allowances	2,080,000	980,000		3,060,000	1,475,000	1,585,000
1.3 Use of goods and services	3,560,970	456,200		4,017,170	534,675	3,482,495
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,476,177			1,476,177		1,476,177
2.2 Committee allowances	1,976,000			1,976,000	1,902,070	73,930
2.3 Use of goods and services	1,106,628			1,106,628		1,106,628
<b>3.0 Emergency</b>						
3.1 Primary Schools	3,560,000			3,560,000	2,800,000	760,000
3.2 Secondary schools	2,862,000			2,862,000		2,862,000
3.3 Tertiary institutions	1,214,190			1,214,190		1,214,190
3.4 Security projects						
<b>4.0 Bursary and Social Security</b>						
4.1 Special Schools	200,000			200,000		200,000
4.2 Secondary Schools	25,817,968	3,248,000	2,300,000	31,365,968	35,514,492	(4,148,524)
4.3 Tertiary Institutions	15,000,000	2,598,509	3,211,121	20,809,630	9,759,777	11,049,853

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

Programme/Sub-programme	Original Budget Kshs	Opening Balance (C/Bk) and ALA Ksh.	Adjustments		Final Budget Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
			Previous Years' Outstanding Disbursements Kshs				
4.4 Universities							
4.5 Social Security							
<b>5.0 Sports</b>							
5.1 Constituency Sports Tournament	1,300,000				1,300,000		1,300,000
5.2							
<b>6.0 Environment</b>							
6.1							
6.2							
<b>7.0 Primary Schools Projects</b>							
Aterait Primary School	3,300,000				3,300,000		3,300,000
Ngelehom Primary School	2,200,000				2,200,000		2,200,000
Parater Primary School	3,200,000				3,200,000		3,200,000
Odiria Primary School	3,200,000				3,200,000		3,200,000
Alomodoi Primary School	2,000,000				2,000,000		2,000,000
Obekai Primary School	1,200,000				1,200,000		1,200,000
Moru Karisa Primary School	2,400,000				2,400,000		2,400,000
Moru Kamosing Primary School.	1,200,000				1,200,000		1,200,000
Apegei Special Primary School	300,000				300,000		300,000
Alupe Primary School	1,200,000				1,200,000		1,200,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Obucuun Primary School.	1,200,000			1,200,000		1,200,000
Omoloi Primary School	1,200,000			1,200,000		1,200,000
Asopotoit Primary School.	3,000,000			3,000,000		3,000,000
Aciit Primary School	350,000			350,000		350,000
St Teresa Chakol Girls Primary School	350,000			350,000		350,000
Otimong Primary School	350,000			350,000		350,000
Ongaroi Primary School	350,000			350,000		350,000
Parater Primary School.	350,000			350,000		350,000
Ong'ariama Primary School.	350,000			350,000		350,000
Kochek Primary School	901,090			901,090		901,090
Kotur Primary School	1,199,460		688,879	1,888,348		1,888,348
Kaliwa Primary School	876,710		3,188,879	4,065,596		4,065,596
Busia Township Pri School	850,322			850,322		850,322
Okook Primary			350,000	350,000		350,000
Kwangamor Primary			350,000	350,000		350,000
<b>8.0 Secondary Schools Projects</b>						
Fr.Okodoi Secondary School	6,500,000			6,500,000		6,500,000
Aburi Secondary School	2,200,000			2,200,000		2,200,000
Ojaamong Secondary School	3,300,000			3,300,000		3,300,000
Okatekok Secondary School	600,000			600,000		600,000

Programme/Sub-programme	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Previous Years Outstanding Disbursements	Final Budget	Actual on comparable basis	Budget utilization difference	Kshs	
								Kshs	Kshs
9.0 Tertiary Institutions Projects									
Annkura Teachers Training College		12,993,830		2,000,000	14,993,830		14,993,830		
Okame Technical Training Institute		3,000,000			3,000,000		3,000,000		
10.0 Security Projects									
Airstrip Police station		1,500,000			1,500,000		1,500,000		
Adungosi Police station		1,000,000			1,000,000		1,000,000		
Amongura Chief Office		1,500,000			1,500,000		1,500,000		
11.0 Acquisition of assets									
11.1 Motor Vehicles (including motorbikes)		5,600,000			5,600,000	5,544,800	55,200		
11.2 Fencing of CDF office		4,500,000			4,500,000		4,500,000		
11.3 Purchase of furniture and equipment									
11.4 Purchase of computers									
11.5 Purchase of land									
12.0 Others									
12.1 Strategic Plan		3,500,000			3,500,000		3,500,000		
12.2 Innovation Hub									
12.2 Constituency Oversight Committee		1,519,602			1,519,602		1,519,602		

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
Funds pending approval**	9,088,572			9,088,572		9,088,572
<b>Total</b>	<b>151,960,174</b>	<b>8,142,709</b>	<b>12,088,879</b>	<b>172,191,762</b>	<b>60,464,543</b>	<b>111,727,219</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. This statement totals should tie to totals of statement in schedule 12

#### **14. Significant Accounting Policies**

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

##### **1. Statement of Compliance and Basis of Preparation**

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

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

##### **2. Reporting Entity**

The financial statements are for the NGCDF-Teso South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 20 June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> 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 30<sup>th</sup> June 2023.

**14. Prior Period Errors**

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**15. Related Party Transactions**

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

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

15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		
AIE NO B185268	7,000,000	
AIE NO B185792	15,000,000	
AIE NO B185424	6,000,000	
AIE NO B206193	5,000,000	
AIE NO B205612	12,000,000	
AIE NO B205907	12,000,000	
AIE NO. B 105299		33,000,000
AIE NO. B 105567		68,000,000
AIE NO. B 154250		5,000,000
AIE NO. B 163874		12,000,000
AIE NO. B 154219		15,000,000
AIE NO. B 154439		18,000,000
AIE NO. B 154494		19,088,879
<b>TOTAL</b>	<b>57,000,000</b>	<b>170,088,879</b>

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)		
<b>Total</b>		

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		
Rent		

*Teso South Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

Receipts from sale of tender documents		77,000
Hire of plant/equipment/facilities		
Other Receipts Not Classified Elsewhere*		
<b>Total</b>		<b>77,000</b>

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

*Notes To the Financial Statements (Continued)*

**4. Compensation Of Employees**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,006,347	2,175,562
Personal allowances paid as part of salary		
House Allowance		294,000
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	884,181	538,544
Employer Contributions Compulsory national social security schemes	43,200	115,920
<b>Total</b>	<b>2,933,728</b>	<b>3,124,026</b>

**5. Committee Expenses**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	1,475,000	2,032,100
Other committee expenses	1,902,070	4,723,850
<b>Total</b>	<b>3,377,070</b>	<b>6,755,950</b>

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

*Notes To the Financial Statements (Continued)*

**6. Use of Goods and services**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	16,877	504,890
Communication, supplies and services	193,100	259,430
Domestic travel and subsistence		81,000
Water and Sewerage Charges		9,590
Rentals of produced assets		
Training expenses		2,394,840
Hospitality supplies and services	175,000	
Insurance costs		
Specialized materials and services		
Office and general supplies and services		389,550
Fuel, oil & lubricants		270,000
Other operating expenses	131,000	28,200
Routine maintenance – vehicles and other transport equipment	18,698	926,549
Routine maintenance – other assets		
<b>Total</b>	<b>534,675</b>	<b>4,864,049</b>

**7. Transfer To Other Government Units**

<b>Description</b>	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools		88,922,276
Transfers To Secondary Schools		10,100,000
Transfers To Tertiary Institutions		5,000,000
<b>Total</b>		<b>104,022,276</b>

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

*Notes To The Financial Statements (Continued)*

**8. Other Grants and Other transfers**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools	35,514,492	23,631,123
Bursary – tertiary institutions	9,759,777	11,991,510
Bursary – special schools		
Mock & CAT		
Social Security programmes (NHIF)		6,100,000
Security projects		
Sports projects		
Environment projects		
Emergency projects	2,800,000	4,150,000
Roads projects		
<b>Total</b>	<b>48,074,269</b>	<b>45,872,633</b>

**9. Acquisition Of Assets**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment	5,544,800	
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		
<b>Total</b>	<b>5,544,800</b>	

**10. Other Payments**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan		
ICT Hub		
<b>Total</b>		

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

*Notes To The Financial Statements (Continued)*

**11. Cash Book Bank Balance**

<b>Name Of Bank, Account No. &amp; Currency</b>	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>11A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank-Busia Branch AC No. 0780261905493</i>	4,678,166	8,142,709
<b>Total</b>	<b>4,678,166</b>	<b>8,142,709</b>
<b>11 B: Cash on Hand</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>Specify</i> )		
<b>Total</b>		
<i>[Provide Cash Count Certificates for Each]</i>		

**12. 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>

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

*Notes to the Financial Statement Continued*

**13. Deposits and retention**

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

**Deposits and Retentions aging analysis.**

	<b>2022-2023</b>	<b>% of the total</b>	<b>2021-2022</b>	<b>% of the total</b>
Under one year				
1-2 years				
2-3 years				
Over 3 years				
<b>Total</b>				

**14. Gratuity**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	791,870	253,326
Gratuity held during the year (B)	92,311	538,544
Gratuity paid during the Year (C)	884,181	
<b>Closing Gratuity as at 30<sup>th</sup> June D= A+B-C</b>		<b>791,870</b>

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

**15. Fund Balance B/F**

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	8,142,708	1,823,894
Cash in hand		
Imprest		
Total		
Less		
Payables: - Retention		
Payables - Gratuity		
Fund Balance Brought Forward	8,142,708	1,823,894

*[Provide short appropriate explanations as necessary]*

**16. Prior Year Adjustments**

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Imprests and advances			
Deposits and retentions			
Gratuity			
Others (specify)			
<b>Total</b>			

**17. Changes In Accounts Receivable – Outstanding Imprests**

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

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

**18. Changes In Accounts Payable – Deposits and Retentions**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>KShs</b>	<b>KShs</b>
Deposit and Retentions as at 1 <sup>st</sup> July (A)		
Deposit and Retentions held during the year (B)		538,544
Deposit and Retentions paid during the Year (C)		
closing account payables $D = A + B - C$		
<b>Net changes in accounts payables D-A</b>		<b>538,544</b>

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

**Notes To the Financial Statements (Continued)**

**19. Other Important Disclosures**  
**19.1: Pending Accounts Payable (See Annex 1)**

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

**Aging Analysis for Pending Accounts Payables**

	<b>2022-2023</b>	<b>% of the total</b>	<b>2021-2022</b>	<b>% of the total</b>
Under one year				
1-2 years				
2-3 years				
Over 3 years				
<b>Total</b>				

**19.2: Pending Staff Payables (See Annex 2)**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff		538,544
Others (specific)		
<b>Total</b>		<b>538,544</b>

**Aging Analysis for staff Payables**

	<b>2022-2023</b>	<b>% of the total</b>	<b>2021-2022</b>	<b>% of the total</b>
Under one year				
1-2 years			538,544	100%
2-3 years				
Over 3 years				
<b>Total</b>				

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

**Other important disclosures (continued)**  
**19.3: Unutilized Fund (See Annex 3)**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	1,402,912	
Committee expense	3,135,107	
Use of goods and services	3,796,681	
Amounts due to other Government entities	60,121,428	15,977,758
Amounts due to other grants and other transfers	5,300,000	3,329,961
Acquisition of assets	55,200	
Other Payments (specify)	9,519,602	
Funds pending approval	8,956,572	132,000
<b>Total</b>	<b>92,287,502</b>	<b>19,439,718</b>

**19.4: PMC account balances (See Annex 5)**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	8,515,160	22,939,947
<b>Total</b>	<b>8,515,160</b>	<b>22,939,947</b>

**19.5 Related Party Transactions**

	<i>Insert current FY</i>	<i>Insert Comparative FY</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	1,475,000	2,032,100
<b>Transaction with the NGCDF Board</b>		
Receipts from the NGCDF Board during the year	57,000,000	170,165,879
<b>Total</b>	<b>58,475,000</b>	<b>172,197,979</b>

16. Annexes

Annexes: I Analysis of Pending Accounts Payable

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

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

**Annex 2 - Analysis of Pending Staff Payables**

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

*Teso South Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*  
**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		2022-2023	2021-2022	
Compensation of employees	Payment of staff salaries	1,402,912		
Use of goods & services	Payment of committee expenses and office operations	6,931,788		
<b>Sub-Total</b>		<b>8,334,700</b>		
<b>Amounts due to other Government entities</b>				
Aterait Primary School	Construction of 3 classrooms	3,300,000		
Ngelechom Primary School	Construction of 2 classrooms	2,200,000		
Parater Primary School	Construction of 2 classrooms	3,200,000		
Odiria Primary School	Construction of 2 classrooms	3,200,000		
Alomodoi Primary School	Construction to completion of administration block	2,000,000		
Obekai Primary School	Renovation of 2 classrooms	1,200,000		
Moru Karisa Primary School.	Renovation of 4 classrooms	2,400,000		
Moru Kamosing Primary School.	Renovation of 2 classrooms	1,200,000		
Apegei Special Primary School	Purchase of 50 metallic beds	300,000		
Alupe Primary School	Renovation of 2 classrooms	1,200,000		
Obucuun Primary School.	Renovation of 2 classrooms	1,200,000		
Omoloi Primary School	Renovation of 2 classrooms	1,200,000		
Asopotoit Primary School.	Purchase of 4 plots of 50 by 100	3,000,000		
Aciit Primary School	Purchase of 100 wooden desks @ kshs.3,500	350,000		
St Teresa Chakol Girls Primary School	Purchase of 100 wooden desks @ kshs.3,500	350,000		
Otimong Primary School.	Purchase of 100 wooden desks @ kshs.3,500	350,000		

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

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Ongaroi Primary School	Purchase of 100 wooden desks @ kshs.3,500	350,000		
Parater Primary School.	Purchase of 100 wooden desks @ kshs.3,500	350,000		
Ong'ariama Primary School.	Purchase of 100 wooden desks @ kshs.3,500	350,000		
Kochek Primary School	Additional funds for completion of construction of a two storey building	901,090		
Kotur Primary School	Additional funds for completion of construction of a two storey building	1,199,469		
Kaliwa Primary School	Additional funds for completion of construction of a two storey building	876,717		
Busia Township Pri School.	Additional funds for completion of construction of a two storey building	850,322		
Kotur Primary School	Additional funds for completion of construction of a two storey building		688,879	
Kaliwa Primary School	Additional funds for completion of construction of a two storey building		3,188,879	
Okook Primary School	purchase of 100 wooden desks @ kshs.3,500		350,000	
Kwangamor Primary School	purchase of 100 wooden desks @ kshs.3,500		350,000	
Ong'ariama Primary School.	Construction of two classrooms		2,200,000	
Asiriam Primary School	Construction of administration block		2,000,000	
Amerikwai Primary School	Construction of two classrooms of one storey		3,000,000	
Omoloi Primary School	Construction of two classrooms		2,200,000	
Fr.Okodoi Secondary School	Additional funds for construction	6,500,000		

**Teso South Constituency  
National Government Constituencies Development 1 and (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	to completion of multipurpose hall			
Aburi Secondary School	Construction of 2 classrooms	2,200,000		
Ojaamong Secondary School	Renovation of 4 classrooms	3,300,000		
Okatekok Secondary School	Renovation to completion of 1 classrooms	600,000		
Amukura Teachers Training College	Addition of funds for completion of ground floor	12,993,830		
Amukura Teachers Training College	Addition of funds for completion of ground floor		2,000,000	
Okame Technical Training Institute	Construction to completion of an electrical workshop	3,000,000		
<b>Sub-Total</b>		<b>60,121,428</b>	<b>15,977,758</b>	
<b>Amounts due to other grants and other transfers</b>				
Airstrip Police station	Construction to completion of administration block	1,500,000		
Adungosi Police station	Renovation to completion of administration block	1,000,000		
Amongura Chief Office	Construction of a three roomed chiefs office	1,500,000		
Sports	Constitutionality Tournament	1,300,000		
Bursary –Tertiary Institutions	Bursary for needy students		8,490	
Emergency	To address unforeseen need cases		3,321,471	
<b>Sub-Total</b>		<b>5,300,000</b>	<b>3,329,961</b>	
Acquisition of assets	Purchase of office Motor vehicle	<b>55,200</b>		
<b>Others (specify)</b>				
Strategic Plan	Development of Teso South Strategic Plan	3,500,000		
NGCDF Office	Fencing of NGCDF Office	4,500,000		
Constituency Oversight Committee	Allowances for COC	1,519,602		

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

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Sub-Total		9,519,602		
Funds pending approval		8,956,572	132,000	
Grand Total		92,287,502	19,439,718	

**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	685,000			685,000
Buildings and structures	13,694,896			13,694,896
Transport equipment	6,141,257	5,544,800		11,686,057
Office equipment, furniture and fittings	2,806,642			2,806,642
ICT Equipment, Software and Other ICT Assets	1,942,612			1,942,612
Other Machinery and Equipment	1,077,542			1,077,542
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>26,347,949</b>	<b>5,544,800</b>		<b>31,892,749</b>

*Teso South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023  
Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023*

PMC	Bank	Account number	Bank Balance	Bank Balance
			2022-2023	2021-2022
Busia Township Primary School	National Bank	1022205801600	1,615,064	3,496,820
Ngelechom Primary School	National Bank	1022036542700	4,454	30,344
Alupe Primary School	National Bank	4237093601	12,405	12,405
Angorom Primary School	National Bank	1022227786500	2330	2,330
Okatekok Primary School	National Bank	2036823900	0	164,621
Palama Primary School	National Bank	1047018075400	0	84
Amoni Primary School	National Bank	1022216868500	4,970	4,970
St Pauls Amerikwai Primary School	National Bank	1022038358300	12,327	12,327
Chakol Girls Primary School	National Bank	1022036529200	3,030	3,030
Acunet Primary School	Equity Bank	1050279117587	332	332
Osasamet Primary School	Equity Bank	780278650219	5,817	5,817
Apatit Primary School	Equity Bank	1050279091488	3,818	3,818
Ojamii Primary School	Equity Bank	780279087273	8,205	8,205
Obekai Primary School	Equity Bank	1050279072312	7,407	7,407
Okerebwa Primary School	Equity Bank	780279071882	3,415	3,415
Katelenyang Primary School	Equity Bank	1050279055687	63,240	63,240
Okatekok Secondary School	Equity Bank	780279096956	1,006	1,006
Kodedema Girls Secondary School	Equity Bank	1050278833666		
Angorom Secondary School	Equity Bank	780279828676	48,262	48,262
Amukura Chief's Office	Equity Bank	1050279076811	0	0
Kaujakito Chief's Office	Equity Bank	1050279770552	647.18	648
Teso South NGCDF Lands PMC Chakol Division	Equity Bank	1050277243285	767.50	767

*Teso South Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

Kotur Chief's Office	Equity Bank	1050279825641	249.50	249
Kwang'amor Chief's Office	Equity Bank	1050279825634	0	0
Sports Amukura Division	Equity Bank	1050277174879	5,843	5,843
Teso South NG-CDF Sports Chakol Division	Equity Bank	1050277175008	1,163	1,163
Kochek Primary School	Equity Bank	1050279202158	4,446,960.50	7,797
Kwang'amor Primary School	Equity Bank	1050279600006	34,165.50	34,345
Omoloi Primary School	Equity Bank	1050279961629	38.30	0
Olepito Primary School	Equity Bank	0780279832307	285	285
Okame Primary School	Equity Bank	0780279896161	14,170	14,170
Aderema Primary School	Equity Bank	1050279829703	8,700	39,151
Teso South NGCDF Desks PMC	Equity Bank	1050279043532	7,475	86,595
Teso South DCC Office	Equity Bank	1050277158050	19,195.35	26,515
Kabosokipi Pimary	Equity Bank	1050297245370	1,293.50	138,428
Airstrip Primary	Equity Bank	780277572929	20,419	20,419
Osuret Primary	Equity Bank	1050277624398	12,059	22,059
Apegei Special School	Equity Bank	1050277778692	53,805.80	53,805
Kodedema Secondary School	Equity Bank	1050277175161	0	-
Amukura TTC	Equity Bank	1050277350371	0	234,040
Okame Technical Training Institute	Equity Bank	1050277362056	0	66,229
Kaliwa Chief's Office	Equity Bank	1050277755575	0	-
Aremit Chief's Office	Equity Bank	1050277755565	0	-
Ang'orom Chief's Office	Equity Bank	1050277175574	0	14,559
Ochude AP Camp	Equity Bank	1050277174933	0	1,945
Environment PMC Amukura Division	Equity Bank	1050277300672	0	2,504
Environment PMC Chakol Division	Equity Bank	1050277175380	0	3,403
Kodedema Primary School	Equity Bank	1050278833666	0	1,227,233
Papa Primary School	Equity Bank	1050278823911	0	400,100

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

Karisa primary school	Equity Bank	780264688412	0	1,714
St. Pauls Amukura high school	Equity Bank	1050280737091	0	75,070
Apokor Special School	Equity Bank	780280230341	0	4,430
St Marys Amukura Girls Secondary school	Equity Bank	1050299700626	11,463.95	11,463
St lukes Amoni Primary school	Equity Bank	780280573461	1,240	1,240
Kaliwa Primary school	Equity Bank	1050280855627	32,971.10	334,695
Teso South NGCDF PMC –OKAME Technical and Vocational Training	Equity Bank	1050277362048	80	80
Teso South NG-CDF Sports	Equity Bank	1050277174879	5,843.45	-
Teso South NG-CDF Strategic Plan	Equity Bank	1050277324046	520	520
Teso South NG-CDF PMC lands Amukura Division	Equity Bank	1050277175161	3,835	3,835
Chakol Division Assistant County Commissioners office	Equity Bank	780280174331	89,791.50	89,791
Okiporo Primary School	Equity Bank	780264386884	3,210	3,210
Kamunoi Primary School	Equity Bank	1050281987046	13,800	259,221
Amukura Police Station Headquarters	Equity Bank	1050281767756	5,009	485,008
Aterait Primary School	Equity Bank	780264688139	10,944	10,944
Lukolis Divission ACC	Equity Bank	1050281253544	1,350	9,175
Irukan Primary School	Co-operative Bank	1141130167100	0	38,436
Oburi Primary School	Co-operative Bank	1141130598500	0	163
Akiriamas Primary School	Co-operative Bank	1141011829600	0	3,155
St. Thomas Chakol Boys Primary School	Co-operative Bank	1022205801600	0	
Ochude Primary School	Co-operative Bank	1139235142500	6,504	6,504
Opokoto Primary School	Co-operative Bank	1141130223500	74,353.50	80,246
Goria Primary School	Co-operative Bank	1141058637800	91,650.03	91,770
Ojaamong Primary School	Co-operative Bank	1139236478400	0	4,664
St. Charles Lwanga Otimong Seconndary School	Co-operative Bank	1139235824400	7,528.75	7,529
Busia Township Secondary School	Co-operative Bank	1141238578300	28,104	28,104
Apokor Secondary School	Co-operative Bank	1139058632300	72,606	45,607

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

Machakusi Girls Secondary School	Co-operative Bank	1141050738900	3,947	
Otimong Primary School	Co-operative Bank	1139050212000	0	115,423
Kosera Primary School	Co-operative Bank	1141050781100	0	6,055
Akites Primary School	Co-operative Bank	1139236210300	0	19,397
Alupe Special School	Co-operative Bank	1139236202300	0	3,333
Aciit Primary School	Co-operative Bank	1139238426900	38,135	38,135
Kamarinyang Primary School	Co-operative Bank	1141050775100	50,863.99	495,142
Parater Primary School	Co-operative Bank	1141130168900	0	48,947
Among'ura Primary School	Co-operative Bank	1139238431400	599	599
St. Thomas Chakol Primary School	Co-operative Bank	1139235919700	9,068	9,068
Aburi Primary School	Co-operative Bank	1139130186600	0	558
St Josephs Amukara Girls Primary School	Co-operative Bank	1141058689200	0	112,628
Okisimo Primary School	Co-operative Bank	1141050789500	10,660	133,355
Apokor Primary	Co-operative Bank	1141050775700	36,972.75	6,537
Machakusi Primary School	Co-operative Bank	1141058687700	0	2,865
Asinge Primary	Co-operative Bank	1141050771500	0	8,339
Osipata Primary School	Co-operative Bank	1141130615200	0	1,760
Morukeyan Primary School	Co-operative Bank	1141050743800	6,252	15,757
Keriamata Primary School	Co-operative Bank	1139238497000	15,845	86,552
Okiporo Primary School	Co-operative Bank	1141050775100		
Okokoru Primary School	Co-operative Bank	1139236484600	0	3,261
Katelenyang Secondary School	Co-operative Bank	1141130587500	60,328	1,177,110
St. James Kwangamor Secondary School	Co-operative Bank	1141011836600	58,277	58,277
Fr. Okodoi Secondary School	Co-operative Bank	1141011830200	1,037,629.15	1,037,629
St. Mark Machakusi Secondary School	Co-operative Bank	1141050738900	124,189.40	122,272
Odoi Primary School	Co-operative Bank	1141050775000	29,824.91	29,825
Kotur Primary School	Co-operative Bank	1141058669000	0	10,467,895

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

Aterait Primary School	Co-operative Bank	1141050753601	0	215
Akoreet Primary School	Co-operative Bank	1141011866900	0	500
Morukamosing Primary School	Co-operative Bank	1141050757900	16,155.50	150,370
Kidera Primary School	Co-operative Bank	1141011857100	14,509.73	349,850
Akobwait Primary School	KCB Bank	1128501562	2,006.40	2,006
St. Michael Apatit Secondary School	KCB Bank	1119507197	1,209	1,209
St. Peter's Aterait Secondary School	KCB Bank	1235267350	0	738
St. Pauls Amukura Secondary School	KCB Bank	1154113469	0	13,281
Sidelewa Primary School	KCB Bank	1131174569	18,340	18,340
St. Jacob's Kaliwa Secondary School	KCB Bank	1285537408	0	2,109
St. John's Akobwait Primary School	KCB Bank	1281411094	96,711	98,028
Akoreet Primary School	KCB Bank	1173482407	0	6,354
Ong'aroi Primary School	Family Bank	79000038381	214.00	118,744
Obucuun Primary School 22,739,927	Family Bank	79000038385	246.40	110,225
<b>Grand-Total</b>			<b>8,512,160</b>	<b>22,739,947</b>

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.	<p><b>Unsupported Management Account Balances</b> - The financial statements reflect PMC bank balances of Kshs 58,646,559 which as shown under Annex 5 to the financial statements, comprises bank balance held 104 accounts maintained by Project Management Committees. However, cashbooks, bank confirmation certificates and bank reconciliation statements were not provided to support the individual balances</p> <p>Consequently, the accuracy and completeness of the balance of Kshs.58,646,559 could not be confirmed</p>	<p>The PMC balances were obtained through a letter to the bank. The copy of the letter with the balances is attached for audit review</p>	Resolved	
2.	<p><b>Budgetary Control and Performance-</b> The summary statement of appropriation indicates that the fund had an</p>	<p>The NGCDF board had not released Ksh 45,088,879 as at 30<sup>th</sup> June 2021 and was later disbursed. The residents</p>	Resolved	

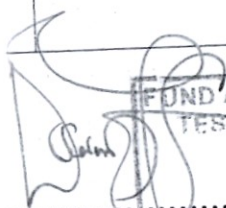
Teso South Constituency  
 National Government Constituencies Development Fund (NGCDF)  
 Annual Report and Financial Statements for The Year Ended June 30, 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>approved budget of Kshs. 207,767,080 but realized actual receipts of Kshs.162,678,201 (or about 78%). No explanation was provided for the underfunding of Kshs.45,088,879.</p> <p>Consequently, the residents of Teso South Constituency did not receive services and projects that had been planned during the year.</p>	<p>have since received the services as required</p>		
3	<p><b>Land-</b>The summary of fixed assets register under Annex 4 to the financial statements reflects a balance of Kshs.685,000 relating to land. However a title deed for the land was not provided for audit verification. Consequently, the ownership of the land valued at Kshs.685,000 could not be confirmed.</p>	<p>The management is the process of getting the land title deed as required.A copy of confirmation letter on the ownership of the land from the Deputy County Commissioner has been provided for audit review.</p>	Resolved	
4	<p><b>Transfers to Other Government Units-</b> The statement of receipts and payments reflects an</p>	<p>The project is currently ongoing (at the finishing stage). At the time of audit the contractor was</p>	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor		Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>amount of Kshs.65,000,000 under transfers to other Government units which as shown under note 6, includes Kshs.48,050,000 as transfers to primary schools. The amount of Kshs.48,050,000 includes an amount of Kshs.6,000,000 disbursed to Busia Township primary school for construction of two storey building including an administration block. The project duration was extended by 24 months to 13 January 2021. However, an audit inspection carried out on 26 April, 2022 revealed that that the building was not complete and was at roofing level. The Contractor had abandoned the site. No explanation was provided on the inordinate delay and why the Contractor had abandoned the site.</p> <p>Consequently, value for money was not obtained from the</p>		<p>not on site due to challenges occasioned by the rise in the cost of building materials. The issue has since been addressed by the project manager</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	project.			



FUND ACCOUNT MANAGER  
 TESO SOUTH NGCDFC  
 21 SEP 2023

Patrick Malongo Lidovolo, Box 19-50403  
 Fund Account Manager. AMUKURA

Handwritten notes and stamps in red and blue ink, including a date stamp '21 SEP 2023'.