

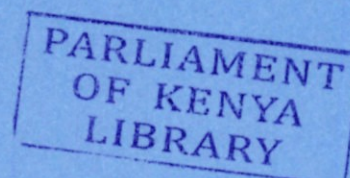
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – WEBUYE EAST
CONSTITUENCY**

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



WEBUYE EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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


 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2024	
DAY: WEDNESDAY	
TABLED BY:	Hon. SAMUEL CHEPKONKA, MP
CLERK AT THE TABLE:	Anne Shibusko

Table of Content	Page
1. Acronyms and Abbreviations	ii
2. Key Constituency Information and Management.....	iii
3. NG-CDFC Chairman’s Report	vii
4. Statement Of Performance Against Predetermined Objectives for FY2022/23	x
5. Governance Statement.....	xii
6. Environmental and Sustainability Reporting	xvi
7. Statement Of Management Responsibilities.....	xx
8. Report Of the Independent Auditors On The NGCDF- Webuye East Constituency	xxii
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 th June 2023.....	5
13. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	8
14. Significant Accounting Policies	12
15. Notes To the Financial Statements	18
16. Annexes	29

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

1. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund
PFM-Public Finance Management
IPSAS -International Public Sector Accounting Standards
PMC-Project Management Committee
FY-Financial Year

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

***Webuye East 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 Webuye East Constituency NGCDF day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Kodii K. Duncan
2.	Sub-County Accountant	Lilian A. Amusolo
3.	Chairman NGCDFC	Mutali F. Murunga
4.	Member NGCDFC	Phaustine Wanyama

(c) Fiduciary Oversight Arrangements

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

P.O. Box 404-50205
NG-CDF office Building
DCC's Compound
WEBUYE, KENYA

(e) Webuye East Constituency NGCDF Contacts

Telephone: (254) 0704265941
E-mail: cdfwebuyeeast@ngcdf.go.ke
Website: www.webuyeeast.go.ke

(f) Webuye East Constituency NGCDF Bankers

Kenya Commercial Bank
Webuye Branch
P.O.Box 332-50205
WEBUYE

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

3. NG-CDFC Chairman’s Report



**MUTALI FREDRICK MURUNGA
WEBUYE EAST NG-CDFC CHAIRMAN**

The NGCDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The constituency was allocated Kshs. 131,342,462 in the financial year 2022/2023.

Education programmes were allocated Kshs.55,100,000 which was 40% of the entire budget followed by Bursary schemes at Kshs.40,232,603 or 31% of the total budget. The NG-CDF has improved the Education and Security infrastructures of Webuye East. Literacy levels have gone up as a result of bursary disbursement. Other sectors under consideration included environment where some tree seedlings are set to be planted and exhaustible pit latrines set to be constructed, Security sector funded for construction of offices, as well as sports activities which were conducted successfully at the constituency level.

The constituency was not able to implement most of the projects due to delay in disbursement of funds by the exchequer. The only projects which were able to be successfully implemented are the Constituency Sports activities and Issuance of Bursaries to both Secondary and Tertiary Institution learners.

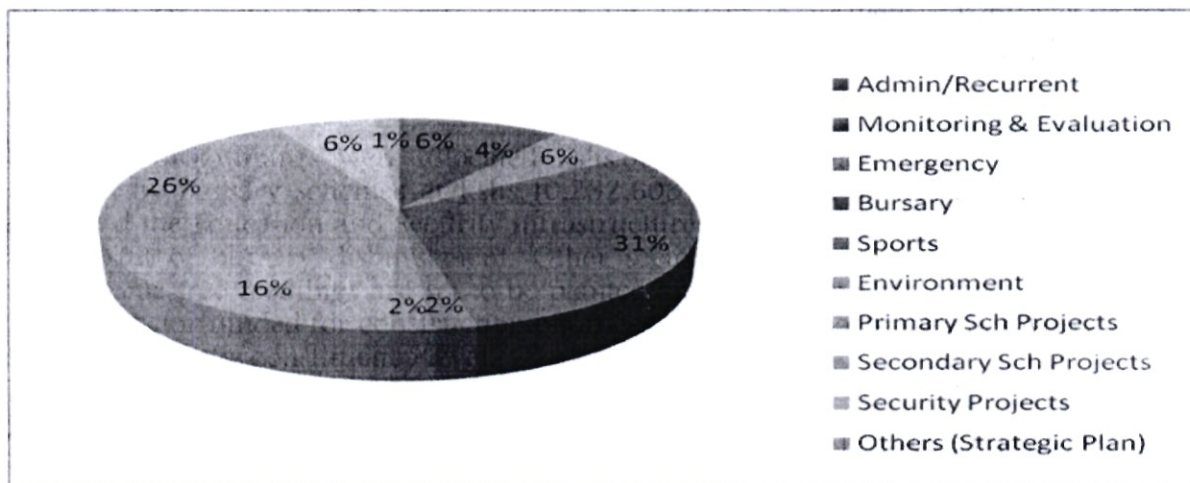


Fig 1: Budget allocation for 2022/2023 per sector.

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

There was a brought forward balance of previous years fund of Kshs. 21,226,576 which led us to have a total of Kshs.152,569,038 as funds available to be spend in the year. We were able to get Kshs. 51,000 from sale of tenders and additional Kshs.3,730,090 from PMC recoveries. The budget allocations in comparison with the expenditure are illustrated as per the chart below:

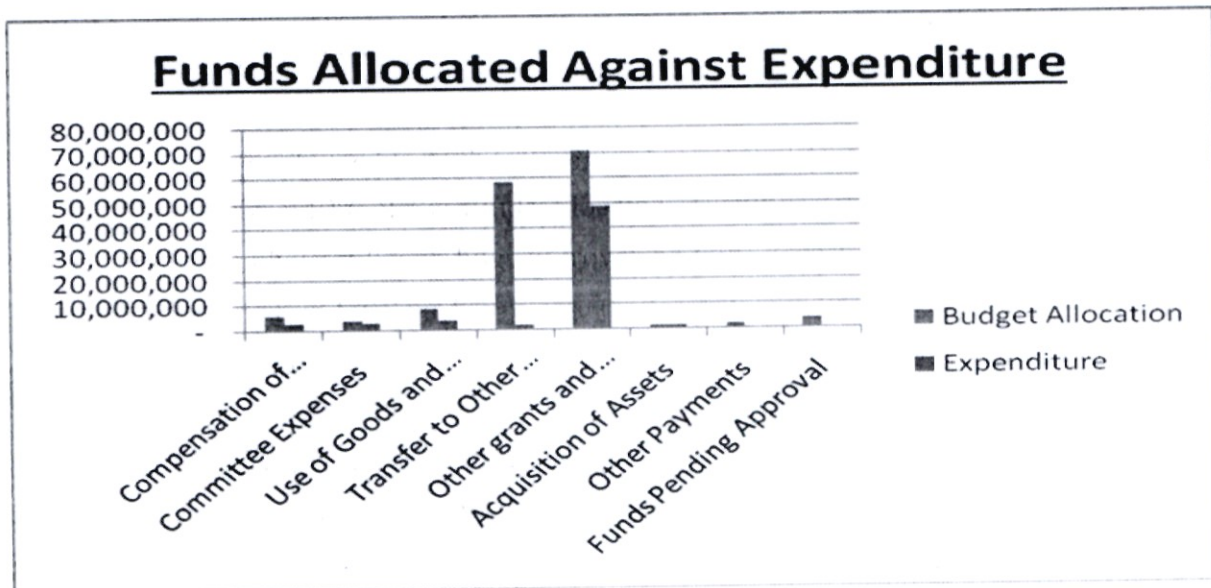


Fig 2: Shows the actual budgeted and Spend funds in the financial year 2022/2023

The constituency having had a total of Kshs. 156, 350, 128 was able to spend a total of Kshs. 62,460,410 which is 40% of the funds allocated. All funds due from Board was sent apart from Kshs.800,000 which is still pending approval and the Constituency is working to provide the required documentation for Board to release the funds which are conditionally approved. The cash book balance at the closure of the year was Kshs. 53,547,256.38.

Some of the **Challenges** the Constituency faced during the year include Receiving more needy bursary applicants than the available budget, numerous complaints due to insufficiently informed members of the public failing to know what category of projects are fundable by NG-CDF and which are not eligible for funding.

The above challenges can be mitigated by Increasing the budget for bursary by making sure the 35% ceiling is fully utilized and increasing the number of community sensitization on the role of NG-CDF through more public participations.

Photos of some of the successfully implemented projects are displayed below:



Fig 3: Sports Tournament

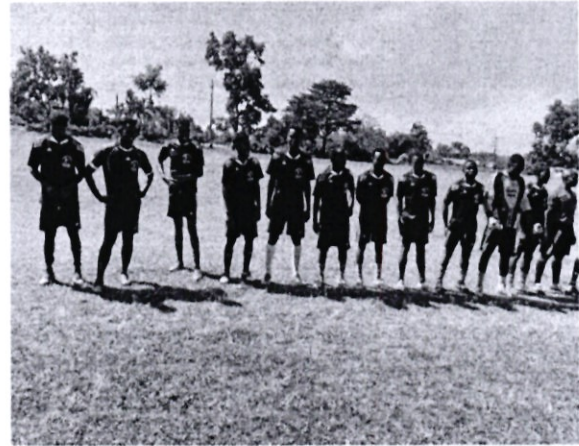
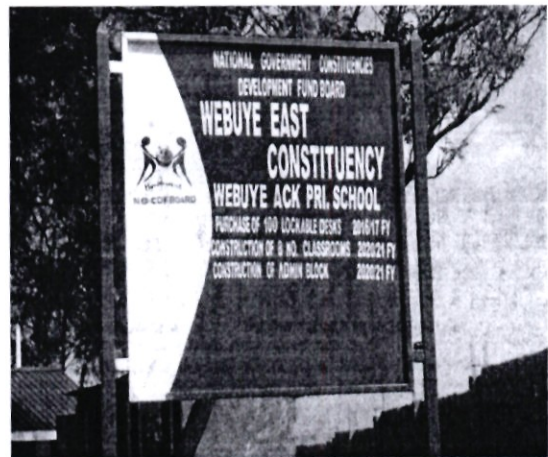


Fig 4: Participants of the Sports Tournament



Fig 5: Completed Admin Block at St. Mathew's ACK Primary F



.....
**Name: MUTALI F. MURUNGA
CHAIRMAN NGCDF COMMITTEE**

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

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

Introduction

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

The key development objectives of *Webuye East Constituency 2018-2022* plan are to:

- To increase and equip learning institutions with adequate instructional materials and man power
- To raise literacy levels equitably for both males and females
- To sensitize the community on the proper use of available resources
- To tarmac the major roads and make all feeder roads all weather
- To upgrade and increase health facilities
- To sensitise the community and build their capacity to monitor and evaluate projects

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	-Number of usable physical infrastructure built in primary, secondary, and tertiary institutions -Number of bursary's beneficiaries at all levels	In FY 2022/2023 -Construction of additional structures in 6 Primary Schools, 4 Secondary Schools(3 getting storey buildings) and purchase of land in one Secondary School; all projects ongoing. - Bursary beneficiaries at all levels.
Security	-To provide	A secure	-Number of Police	-Purchase of land

	better working environment for security providers in the constituency	constituency	Stations/posts set up -Number of police houses built -Number of Chiefs/Ass. Chief's offices built	for a police post and construction ongoing -Construction ongoing for one police station
Environment	Improve access to a more sustainable and conserved environment	Improved sanitation facilities in schools Provision of tree seedlings to schools to improve the forest cover	Number of sanitation facilities built in schools Number of trees planted	Ongoing Construction of 4 door toilets in 4 schools with urinals for boys. Tree Seedlings planted in 4 schools.
Sports	Empower youth and special groups in the constituency	Improved cohesion and enhanced economic growth through sports	Number of youth groups benefiting from the sports programme	Sports activities implemented in the Constituency.
Emergency	Respond to unforeseen emergency situations	Emergency situations responded to	Number of beneficiary institutions	No emergency responded to within the FY, the funds to be re-allocated
Others(Strategic Plan)	To have a documented plan of the mission and vision of the constituency for the future	Strategic plan document readied	Printed copy of the strategic plan	The preparation process of the strategic plan ongoing.

5. Governance Statement

Process of Appointment of NG-CDFC Members

- ✓ The NG-CDFC members are appointed through a procedure that starts upon receipt of the guidelines on formation of NG CDFC from the Board. The FAM writes a letter to both DCC and Constituency Office Manager requesting for the nomination of members of a selection panel as per the guidelines and maintains a record confirming receipts. Both DCC and Constituency Office Manager nominate in writing one (1) and two (2 of either gender) appointees respectively. The DCC's appointee shall become the chair of the selection Panel.
- ✓ The chair then convenes first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (applicants given two weeks to submit applications). The FAM then writes to the Constituency Office Manager requesting for nomination of two persons of either gender as per the guidelines issued by the Board; also writes to a registered group representing PWDs in the constituency as per the guidelines issued requesting for nomination of one person with disability to sit in the NG-CDFC committee and maintain a record of the receipts.
- ✓ Applications are received at the NG-CDF office and recorded in the application register. The selection panel then convenes to shortlist the suitable candidates as per the determined criteria within one week after closure of advertisement. The successful candidates are interviewed within seven days and the final list of the qualified nominees is compiled.
- ✓ The FAM shall then submit to the NG-CDF Board the report of the selection panel which constitutes seven nominees and the Nominee of the Board to the NG-CDFC as per the guidelines within seven days. The FAM shall ensure timeliness of the process.

Process of Removal of NG-CDFC Members

A member of the NG-CDFC committee may be reformed from office on any one or more of the following grounds: Lack of integrity, gross misconduct, embezzlement of public funds, unbecoming personal public conduct, promoting unethical practices, causing disharmony within the committee and physical or mental infirmity.

A decision to remove a member 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.

Roles and Functions of NG-CDFC Committee

The functions of the constituency committee shall be to-

- i. Build the capacity of project management committees and Committee.
- ii. Sensitize the Community on the operations of the Fund;
- iii. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- iv. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- v. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- vi. In approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution; (1) consult with relevant government departments to ensure that cost estimates for projects are realistic;
- vii. In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- viii. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- ix. Ensure that all projects receive adequate funding and are completed within three years;
- x. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (1) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- xi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- xii. Ensure that project reports are prepared and submitted to the Board;
- xiii. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;

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

- xiv. Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- xv. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;
- xvi. Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- xvii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
- xviii. Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain a list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status;
- xix. Enter into performance contracting with the Board on an annual basis;
- xx. In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- xxi. Receive returns from project management committees in accordance with regulation 15;
- xxii. Maintain a database of project management committees and reports from the respective committees;
- xxiii. Ensure that the reports referred to in paragraph (xxii) are received before funding is released for each phase of the project being implemented;
- xxiv. Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office;
- xxv. Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- xxvi. Ensure that the committee does not enter into commitments for which funding has not been allocated;
- xxvii. Ensure projects are labelled in accordance with the guidelines issued by the Board; and
- xxviii. Perform any other function assigned to it by the Board.

The NG-CDFC Members shall be inducted upon assumption of office to familiarize them with their functions. A training shall then be conducted for the members in conjunction with other stakeholders of the constituency NG-CDFC including the FAM, DCC and National Sub-county Accountant to further capacity build the members on all nitty-gritty's of the running of NG-CDF.

The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of parliament by the national government official at the Constituency (DCC) or in absence, the FAM. 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. Before any meeting is conducted, the members shall go through the agenda to be discussed and if any matter of discussion is of interest to any member of the committee, the member is required to declare conflict of interest and be exempted from the meeting or only that particular matter.

Members' allowances for meetings are Kshs. 5,000 each for members and Kshs. 7,000 for the chair person.

All members upon appointment to the committee become public officers and they are thus expected to uphold good ethics and conducts as per the Public Officers Ethics Act, 2003 and The Public Service Code of Conduct and Ethics, 2016.

The NG-CDFC Webuye East shall manage risk as per the guidelines of the NG-CDF Board. The Board stipulates below to guide in risk management;

- NG-CDF Board Operational Risk Management Policy
- The NG-CDF Board Risk Appetite Statement
- NG-CDF Board Enterprise Risk Management Police
- NG-CDF Board Risk register Template
- NG-CDF Board Risk Management reporting Template
- Internal Audit Recommendations.

The NG-CDFC shall adhere to the procedures as guided by all the above tools to ensure proper risk management. The FAM shall ensure monthly attestations on the Board's ERM software on monthly basis and submit Risk Management report on quarterly basis. The FAM shall also update the Risk register periodically upon recommendations of various audit reports.

6. Environmental and Sustainability Reporting

Webuye East 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 Webuye East NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 2022/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- The NG-CDFC is in process of supporting students carry out environmental conservation activities by planting tree seedlings in 4 Schools.
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported by NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- . Training of the PMCs and NG-CDFCs captured crucial topics under the drugs and substance abuse, HIV and Aids and Covid 19 pandemics.

3. Employee welfare

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

WEBUYE EAST Constituency NGCDF 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-

WEBUYE EAST 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 programmes, 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.

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



.....

Name: KODII K. DUNCAN

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-WEBUYE EAST 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.

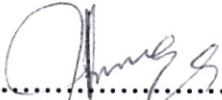
The Accounting Officer in charge of the NGCDF-WEBUYE EAST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

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

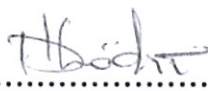
Approval of the financial statements

The NGCDF- Webuye East Constituency financial statements were approved and signed by the Accounting Officer on 13/5/2023

.....


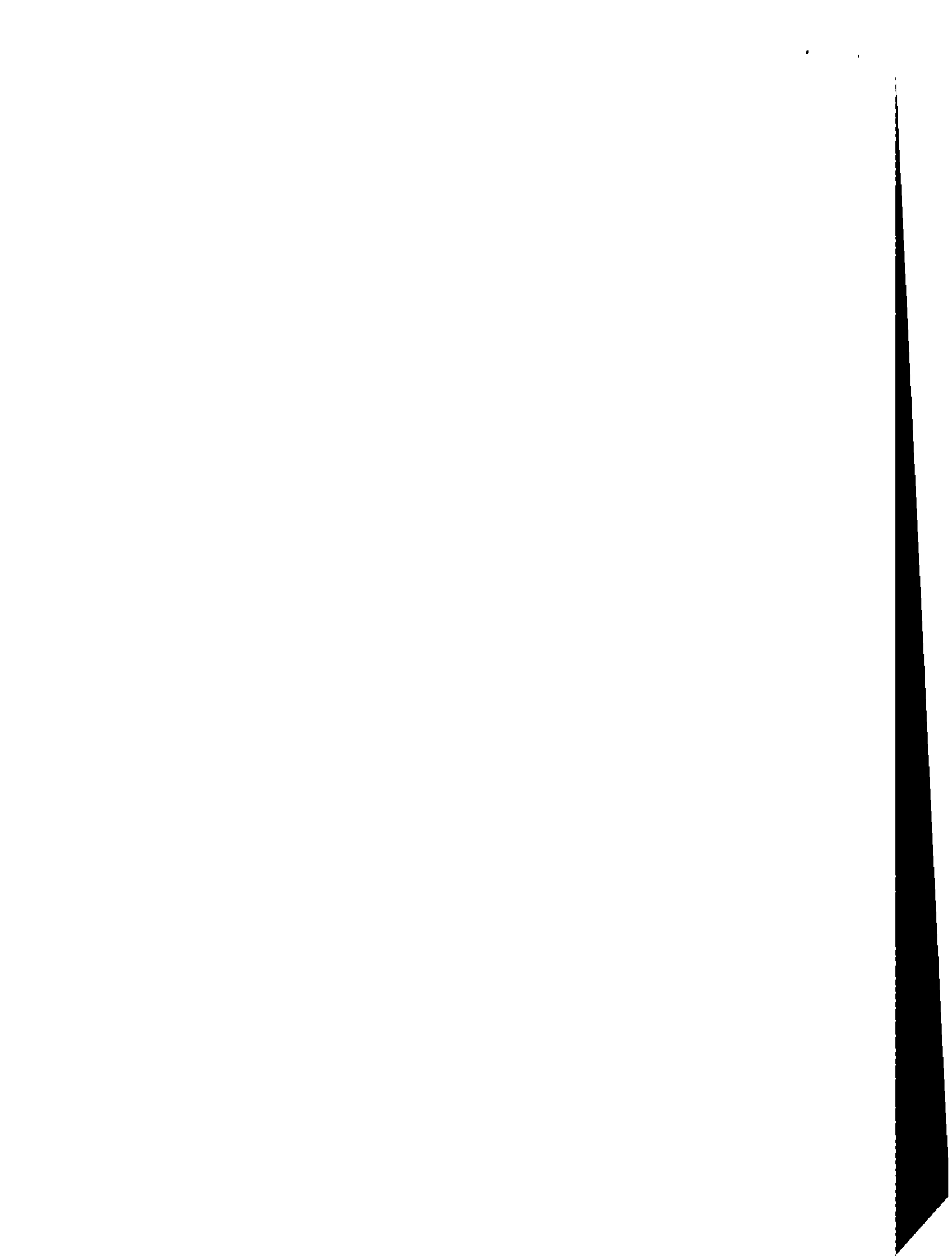
Name: MUTALI F. MURUNGA

Chairman – NGCDF Committee

.....


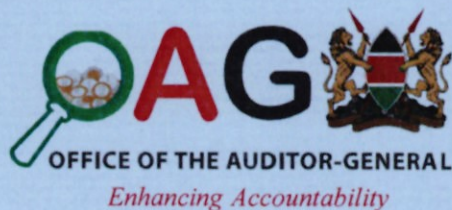
Name: KODII K. DUNCAN

Fund Account Manager



REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Webuye East Constituency set out on pages 1 to 38, which comprise of the statement of assets and liabilities as at 30 June, 2023, and

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

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

In my opinion, except for the 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 - Webuye East 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 to the financial statements and, as disclosed in Annex 5, reflects a balance of Kshs.14,614,327 in respect of Project Management Committee (PMC) balances. However, cash books, bank reconciliation statements, bank statements and bank confirmation certificates were not provided to support the balances.

In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.14,614,327 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.156,350,128 and Kshs.112,226,576 respectively, resulting to an under-funding of Kshs.44,123,552 or 28% of the budget. However, the Fund spent a balance of Kshs.62,460,410 against actual receipts of Kshs.112,226,576 resulting to an under-utilization of Kshs.49,766,166 or 44% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Audit Matters

The audit report for the previous year highlighted several issues in respect of the Financial Statements and Lawfulness and Effectiveness in Use of Public Resources. Management's report on the progress made in resolving the issues, indicates that the issues had not been resolved as at 30 June, 2023. No explanation was provided for failure to implement the recommendations.

Key Audit Matters

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

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 matter 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

Delay in Implementation of Projects

During the year under review, the Fund had planned to implement eighteen (18) projects with a budget of Kshs.65,500,000. However, out of this number, twelve (12) or 67% of the projects costing Kshs.45,508,750 were completed, five (5) or 28% of the projects costing Kshs.16,245,000 were on-going while one (1) or 5% of the projects costing Kshs.3,746,250 had not been started.

In the circumstances, value for money and the benefits expected to accrue was not obtained from the delayed projects and one that had not started.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 controls, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 June, 2024

Webuye East 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
Receipts			
Transfers From NGCDF Board	1	91,000,000	190,967,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	3,781,090	331,000
Total Receipts		94,781,090	191,298,758
Payments			
Compensation Of Employees	4	3,047,710	5,520,745
Committee expenses	5	2,891,122	4,470,482
Use Of Goods and Services	6	4,030,698	4,457,995
Transfers To Other Government Units	7	1,820,000	131,003,183
Other Grants and Transfers	8	49,094,440	83,938,965
Acquisition Of Assets	9	1,576,440	779,500
Other Payments	10	-	-
Total Payments		62,460,410	230,170,871
Surplus/ (Deficit)		32,320,680	(38,872,113)

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 13/5/2024 and signed by:



Fund Account Manager

Name: KODII K. DUNCAN



National Sub-County Accountant

Name: LILIAN AMUSOLO
ICPAK M/No: 29512



Chairman NG-CDF Committee

Name: MUTALI F. MURUNGA

Webuye East 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

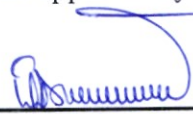
	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	53,547,256	21,226,576
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		53,547,256	21,226,576
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		53,547,256	21,226,576
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13	-	-
Gratuity	14	-	-
Total Financial Liabilities			
Net Financial Assets		53,547,256	21,226,576
Represented By			
Fund Balance B/Fwd	15	21,226,576	60,098,689
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		32,320,680	(38,872,113)
Net Financial Position		53,547,256	21,226,576

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 31/05/2023 and signed by:



Fund Account Manager



National Sub-County Accountant



Chairman NG-CDF Committee

Name: KODII K. DUNCAN

Name: LILIAN AMUSOLO
ICPAK M/No: 29512

Name: MUTALI F. MURUNGA

Webuye East 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
Receipts From Operating Activities			
Transfers From NGCDF Board	1	91,000,000	190,967,758
Other Receipts	3	3,781,090	331,000
Total Receipts		94,781,090	191,298,758
Payments			
Compensation Of Employees	4	3,047,710	5,520,745
Committee Expenses	5	2,891,122	4,470,482
Use Of Goods and Services	6	4,030,698	4,457,995
Transfers To Other Government Units	7	1,820,000	131,003,183
Other Grants and Transfers	8	49,094,440	83,938,965
Other Payments	10	-	-
Total Payments		60,883,970	229,391,371
Total Receipts Less Total Payments		33,897,120	(38,092,613)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		33,897,120	(38,092,613)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(1,576,440)	(779,500)
Net Cash Flows from Investing Activities		(1,576,440)	(779,500)
Net Increase In Cash And Cash Equivalent		32,320,680	38,872,113
Cash & Cash Equivalent At Start Of The Year	11	21,226,576	60,098,689
Cash & Cash Equivalent At End Of The Year	11	53,547,256	21,226,576

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 31.05 2024 and signed by:

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



Fund Account Manager

Name: KODII K. DUNCAN



**National Sub-County
Accountant**

**Name: LILIAN AMUSOLO
ICPAK M/No: 29512**



**Chairman NG-CDF
Committee**

Name: MUTALI F. MURUNGA

12. Summary Statement of Appropriation for The Year Ended 30th June 2023.

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	30/06/2023		
Receipts							
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	131,342,462	21,226,576	-	152,569,038	112,226,576	40,342,462	73.6%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	0	3,781,090	-	3,781,090	3781,090	-	100.0%
Totals	131,342,462	25,007,666	-	156,350,128	112,226,576	44,123,552	71.8%
Payments							
Compensation Of Employees	3,437,456	2,702,820	-	6,140,276	3,047,710	3,092,566	49.6%
Committee Expenses	3,334,000	786,214	-	4,120,214	2,891,122	1,229,092	70.2%
Use Of Goods and Services	6,349,364	2,555,055	-	8,904,418.55	4,030,698	4,873,720	45.3%
Transfers To Other Government Units	55,100,000	3,470,000	-	58,570,000	1,820,000	56,750,000	3.1%
Other Grants and Transfers	61,121,642	9,731,488	-	70,853,129.55	49,094,440	21,758,690	69.3%
Acquisition Of Assets	0	1,650,000	-	1,650,000	1,576,440	73,560	95.5%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	0.0%
Funds Pending Approval (AIA)	0	4,112,090	-	4,112,090	0	4,112,090	0.0%
Totals	131,342,462	25,007,666	-	156,350,128	62,460,410	93,889,718	39.9%

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

Explanatory Notes.

(a) The PMC Recoveries and Money raised from sale of tenders make up A-I-A totalling to Kshs.4,112,090. The Ksh.3,781,090 being PMC recoveries for the year and Kshs.331,000 being revenue raised from sale of tenders in the previous financial year which had not been utilized.

(b) -The underutilization for the financial year's Compensation of employees was due to availability of a significant budget brought forward from the previous financial year of Kshs.2,702,820 which was able to cater for the payment of staff up to March 2023

-Transfer to Other Government Units and Other grants and Transfers could not be fully utilised due to late disbursement of funds.

-Use of Goods and Services and Committee Expenses had significant brought forward budget of Kshs. 2,555,055 and Kshs. 786,214 respectively which explains the underutilization.

- The underutilization of Other Payments (Strategic Plan) was due to late disbursement of funds.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	93,889,718
Less undisbursed funds receivable from the Board as at 30 th June 2023	(40,342,462)
	53,547,256
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	53,547,256

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



Fund Account Manager

Name: KODII K. DUNCAN



National Sub-County Accountant

**Name: LILIAN AMUSOLO
ICPAK M/No:29512**



Chairman NG-CDF Committee

Name: MUTALI F. MURUNGA

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,437,456	2,702,820.07	-	6,140,276	3,047,710	3,092,566
1.2 Committee allowances	832,000	643,940	-	1,475,940	1,328,940	147,460
1.3 Use of goods and services	3,611,091	1,702,573	-	5,313,664	3,434,507	1,879,156
2.0 Monitoring and evaluation						
2.1 Capacity building	1,700,000	41,490		1,741,490	377,374	1,364,116
2.2 Committee allowances	740,00	142,273.55		882,274	106,000	776,274
2.3 Use of goods and services	2,800,273	810,992		3,611,265	1,675,459	1,935,806
3.0 Emergency	7,636,190	499,999		8,136,189	712,999	7,423,190
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
4.0 Bursary and Social Security						

**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			
4.1 Primary Schools						
4.2 Secondary Schools	22,032,603	-	-	22,032,603	21,953,410	79,193
4.3 Tertiary Institutions	15,000,000	3,699,510	-	18,699,510	17,450,510	1,249,000
4.4 Special Needs	2,000,000	421,172	-	2,421,172	1,546,172	875,000
4.5 Social Security	1,200,00	-	-	1,200,000	-	1,200,000
5.0 Sports						
5.1 Sports Uniforms and kits	-	600	-	600	-	600
5.2 Regional Sports	300,000	-	-	300,000	-	300,000
5.3 Constituency Sports Tournament	2,626,849	-	-	2,626,849	2,626,849	-
6.0 Environment						
6.1 Bakisa Girls Secondary School	56,500	-	-	56,500	-	56,500
6.2 Friends Secondary School Khamoto	56,500	-	-	56,500	-	56,500
6.3 Lufwindiri DEB Primary School	1,200,000	-	-	1,200,000	-	1,200,000
6.4 Katumi CEB Primary School	56,500	-	-	56,500	-	56,500
6.5 Silungai FYM Primary School	1,200,000	-	-	1,200,000	-	1,200,000
6.6 Sirende S.A Primary School	56,500	-	-	56,500	-	56,500
7.0 Primary Schools Projects (List all the Projects)		1,905,000	-	1,905,000	180,000	2,085,000
7.1 Wandabwa FYM Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.2 Masindu FYM Primary School	1,200,000	-	-	1,200,000	-	1,200,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.3 Kakimanyi SDA Primary School	3,000,000	-	-	3,000,000	-	3,000,000
7.4 Lugulu PAG Primary School	2,300,000	-	-	2,300,000	-	2,300,000
7.5 Nzoia RC Primary School	3,000,000	-	-	3,000,000	-	3,000,000
7.6 Sirende SA Primary School	3,000,000	-	-	3,000,000	-	3,000,000
7.7 Sango DEB Primary School	3,000,000	-	-	3,000,000	-	3,000,000
7.8 Nabuyole PEFA Primary School	1,000,000	-	-	1,000,000	1,000,000	-
7.9 Makemo RC Primary School	600,000	-	-	600,000	600,000	-
7.10 Katumi CEB Primary School	3,000,000	-	-	3,000,000	-	3,000,000
8.0 Secondary Schools Projects (List all the Projects)		1,565,000	-	1,565,000	40,000	1,525,000
8.1 Bakisa Girls Secondary School	10,000,000	-	-	10,000,000	-	10,000,000
8.2 Friends Secondary School Khamoto	3,000,000	-	-	3,000,000	-	3,000,000
8.3 Friends Secondary School Muji	10,000,000	-	-	10,000,000	-	10,000,000
8.4 Sinoko Secondary School	10,000,000	-	-	10,000,000	-	10,000,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
10.0 Security Projects		5,110,207	-	5,110,207	5,104,500	5,707
10.1 Misikhu Police Station	8,000,000	-	-	8,000,000	-	8,000,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.2						
10.3						
11.0 Acquisition of assets	-	1,650,000	-	1,650,000	1,576,440	73,560
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000
12.2 Innovation Hub						
12.2 PMC Savings/Unutilised Fee	0	3,781,090	-	3,781,090	-	3,781,090
Funds pending approval**	800,000	331,000	-	1,182,000	-	1,182,000
Total	131,342,4622	25,007,666	-	156,350,128	62,460,410	93,889,718

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

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Webuye East 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.

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 202x.

14. Errors

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

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

15. Related Party Transactions

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

*Webuye East 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
NGCDF Board	Kshs	Kshs
AIE NO A 888515	-	12,088,879
AIE NO A 895082	-	8,790,000
AIE NO B 105326	-	33,000,000
AIE NO B 105584	-	44,000,000
AIE NO B 105959	-	22,000,000
AIE NO B 128736	-	5,000,000
AIE NO B 154242	-	12,000,000
AIE NO B 154460	-	18,000,000
AIE NO B155513	-	24,088,879
AIE NO B 163898	-	12,000,000
AIE NO B 185293	7,000,000	-
AIE NO B 185438	6,000,000	-
AIE NO B 185812	15,000,000	-
AIE NO B 206219	5,000,000	-
AIE NO B 205636	12,000,000	-
AIE NO B 205933	12,000,000	-
AIE NO B 207713	18,000,000	-
AIE NO B 207948	16,000,000	-
TOTAL	91,000,000	190,967,758

2. Proceeds From Sale of Assets

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

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

3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	51,000	331,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	3,730,090	-
Total	3,781,090	331,000

*Webuye East 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>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,944,030	3,778,566
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	1,620,379
Employer Contributions Compulsory national social security schemes	103,680	121,800
Total	3,047,710	5,520,745

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	1,434,480	724,060
Other committee expenses	1,456,642	3,746,422
Total	2,891,122	4,470,482

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

6. Use of Goods and services

	2022/2023	2021/2022
	Kshs	Kshs
Utilities, supplies and services	34,728.25	226,378
Communication, supplies and services	201,450	236,000
Domestic travel and subsistence	1,794,300	1,176,840
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	265,626	1,094,370
Hospitality supplies and services	296,148	430,012
Insurance costs	62,132	131,881
Specialized materials and services	20,000	30,000
Office and general supplies and services	402,553	432,108
Fuel, oil & lubricants	436,856	200,000
Other operating expenses	372,260	30,914
Routine maintenance – vehicles and other transport equipment	144,645	442,952.45
Routine maintenance – other assets	-	26,540
Total	4,030,698.25	4,457,995.45

*Webuye East 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)

7. Transfer To Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	1,780,000	76,579,000
Transfers To Secondary Schools (See Attached List)	40,000	54,424,183.35
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	1,820,000	131,003,183.35

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	21,953,410	42,702,842.97
Bursary – tertiary institutions (see attached list)	17,450,510	24,588,490
Bursary – special schools (see attached list)	1,546,172	458,124
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	5,104,500	5,306,201
Sports projects (see attached list)	2,326,849	1,541,100
Environment projects (see attached list)	-	2,600,000
Emergency projects (see attached list)	712,998.60	6,742,207
Roads projects (see attached list)	-	-
Total	49,094,439.60	83,938,964.97

*Webuye East 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)

9. Acquisition Of Assets

	2022/2023	2021/2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	1,249,830	-
Purchase of Vehicles and Other Transport Equipment	326,610	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	270,000	779,500
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	1,576,440	779,500

10. Other Payments

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

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

11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Kenya Commercial Bank, Account No.1147722935 (Main account)</i>	53,547,256	21,226,576
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	53,547,256	21,226,576
11 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

12. Outstanding Imprests

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

*Webuye East 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. Retention

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

14. Gratuity

	2022/2023	2021/2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	881,136
Gratuity held during the year (B)	-	739,242.90
Gratuity paid during the Year (C)	-	1,620,378.90
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1 st July 2022-1)	(1 st July 2021-2)
	Kshs	Kshs
Bank accounts	21,226,576	60,098,689
Cash in hand	-	-
Imprest	-	-
Total	21,226,576	60,098,689
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	21,226,576	60,098,689

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

16. Prior Year Adjustments

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

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

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

Webuye East 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>
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff	485,364	-
Others (<i>specify</i>)	-	-
Total	485,364	-

19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	2,957,566.07	2,702,820
Committee expense	-	786,214
Use of goods and services	6,102,812.30	2,555,055
Amounts due to other Government entities	24,542,538.03	3,470,000
Amounts due to other grants and other transfers	13,758,689.95	9,731,488
Acquisition of assets	73,560.00	1,650,000
Other Payments (PMC savings and unutilized fee, Strategic plan)	5,730,090.03	-
Funds pending approval	382,000.00	331,000
Total	53,547,256.38	21,226,576

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

19.4: PMC account balances (See Annex 5)

	2022/2023	2021/2022
	Kshs	Kshs
PMC account balances (see attached list)	14,614,327	86,602,600
Total	14,614,327	86,602,600

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1. Joyce Nasambu Mutai	Accounts Assistant	01.12.2022	65,468.90	Gratuity for 7months
2. Patricia Nafula Wanyonyi	Records Officer	01.12.2022	53,338.60	Gratuity for 7months
3. Maureen Sitawa Mafunga	Monitoring & Evaluation Officer	01.12.2022	65,468.90	Gratuity for 7months
4. Anthony Wanakacha Simemo	Clerk of Works	01.12.2022	46,655	Gratuity for 7months
5. Valentine Nyukuri Murumba	Office Assistant	01.12.2022	31,703.70	Gratuity for 7months
6. Aristarchus Wanyonyi Simiyu	ICT Officer	01.12.2022	46,655	Gratuity for 7months
7. Zaina C N Wegesa	Receptionist	01.12.2022	46,655	Gratuity for 7months
8. Mourice Ngosia	Driver	01.12.2022	51,060.10	Gratuity for 7months
9. Joel Chengeche Mulama	General Clerk	01.12.2022	46,655	Gratuity for 7months
10. Yusuf Busisa Recha	Office Assistant	01.12.2022	31,703.70	Gratuity for 7months
Sub-Total			485,363.90	
Grand Total			485,363.90	

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		2,957,566.07	2,702,820	
Use of goods & services		6,102,812.30	3,341,268	
Amounts due to other Government entities				
Wandabwa FYM Primary School	Construction of 2 blocks exhaustible pit latrines	1,200,000	-	
Masindu FYM Primary School	Construction of 2 blocks exhaustible pit latrines	1,200,000	-	
Katumi CEB Primary School	Construction of 2 classrooms	3,000,000	-	
Kakimanyi SDA Primary School	Construction of 2 classrooms	3,000,000	-	
Lugulu PAG Primary School	Completion of 3 classrooms	2,300,000	-	
Nzoia RC Primary School	Construction of 2 classrooms	3,000,000	-	
Sirende SAPrimary School	Construction of 2 classrooms	3,000,000	-	
Sango DEB Primary School	Construction of 2 classrooms	3,000,000	-	
	Savings on activity	1,725,000	1,905,000	
Friends Secondary School Khamoto	Construction of 2 Classrooms	1,592,538	-	
	Savings on Activity	1,525,000	1,565,000	
Sub-Total		21,425,000	1,905,000	
Amounts due to other grants and other transfers				
Bursary-Secondary Schools	Payment of fees	79,193.03	-	
Bursary-Tertiary Institutions	Payment of fees	1,249,000	3,699,510	
Bursary-Special Institutions	Payment of fees	875,000	421,172	
NGCDFC Social Security Programmes	Payment of social security programme	1,200,000	-	
Bursary Project		3,403,193.03	4,120,682	
Security Project		5,706.90	5,110,207	

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
	Sports Uniform	600	600	
	Facilitate regional sports tournament	300,000	-	
Sports Project		300,600	600	
Bakisa Girls Secondary School	Planting of assorted trees	56,500	-	
Friends Secondary School Khamoto	Planting of assorted trees	56,500	-	
Lufwindiri DEB Primary School	Construction of 2 blocks exhaustible pit latrines	1,200,000	-	
Katumi CEB Primary School	Planting of assorted trees	56,500	-	
Silungai FYM Primary School	Construction of 2 blocks exhaustible pit latrines	1,200,000	-	
Sirende SA Primary School	Planting of assorted trees	56,500	-	
Environment Project		2,626,000	-	
Emergency Project	Emergency responses	7,423,190.02	499,999	
Sub-Total		13,758,689.95	9,731,488	
Acquisition of assets		73,560	1,650,000	
Others (<i>Specify</i>)				
Strategic Plan	Preparation and Design of strategic plan	2,000,000	-	
PMC Savings		3,719,950.03	-	
Unutilized Fee		10,140	-	
Sub-Total		5,730,090.03	-	
Funds pending approval		382,000	331,000	
Grand Total		53,547,256.38	21,226,576	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	32,150,000	1,249,830	-	33,399,830
Transport equipment	8,107,630	326,610	-	8,434,240
Office equipment, furniture and fittings	1,128,343	-	-	1,128,343
ICT Equipment, Software and Other ICT Assets	836,966	264,000	-	1,100,966
Other Machinery and Equipment	1,169,257	-	-	1,169,257
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	43,392,196			45,232,636

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 30th June 2023

	PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
1	Assistant Chief's Office Wabukhonyi	KCB Bank	1292247142	916,554	1,557,790
2	Bakisa Girls Secondary School	KCB Bank	1276943849	55,276	2,764,041
3	Friends Secondary School Muji	KCB Bank	1297801296	1,818,538	-
4	Friends Secondary School Nabuyole	KCB Bank	1177989255	83,606	707,852
5	Friends Secondary School Silungai	KCB Bank	1133906893	173,898	299,900
6	Friends Secondary School Wabukhonyi	KCB Bank	1262042674	78,577	729,108
7	Khamoto FYM Primary School	KCB Bank	1292406399	19,228	899,830
8	Khamoto Secondary School	KCB Bank	1290514607	243,483	3,198,975
9	Mabele Baptist Primary School	KCB Bank	1125609753	204,564	3,263,173
10	Magemo Friends Secondary School	KCB Bank	1183689519	174,859	1,692,613
11	Magemo Friends Secondary School	KCB Bank	1150745770	1,240	1,440
12	Makemo RC Primary School	KCB Bank	1292541091	190,474	2,400,000
13	Mitukuyu Primary School	KCB Bank	1109595719	16,141	694,661
14	Nabuyole PEFA Primary School	KCB Bank	1315376946	257,907	607,081
15	Ndivisi Boys High School	KCB Bank	1296560015	3,312,825	5,211,401
16	Ndivisi Girls High School	KCB Bank	1145377793	3,805,980	5,957,659
17	Njata CEB Primary School	KCB Bank	1183257503	161,160	564,612

National Government Constituencies Development Fund (NGCDF)

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

	PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
18	Sirende SA Primary School	KCB Bank	1293273880	734,370	6,284,155
19	St. John's RC Savannah Secondary School	KCB Bank	1208229915	2,213,890	2,214,394
20	St. Paul's Nzoia RC Primary	KCB Bank	1290805431	681	645,218
21	Webuye ACK Primary	KCB Bank	1212036263	149,077	16,072,111
	Total			14,614,327	56,368,064

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

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>Accuracy of Unutilized Funds Balance The financial statements reflect a comparative balance of Kshs. 112,558,681 in respect of unutilized funds, as detailed in Annex 3. However, the balance is at variance with the corresponding closing balance of Kshs. 112,588,681 reflected in the audited financial statements for the year ended 30 June 2021. The variance of Kshs. 30,000 has not been explained or reconciled. Further, annex 3 reflects only sub-total for unutilized funds but does not show the individual balances supporting the sub totals.</p>	<p>The variance was due to arithmetic error in the computation of the balances for the year ended 30th June 2021. The actual amount is Kshs.112,558,681. The Financial Statements have been corrected in respect of all noted errors. Attached is the corrected Financial Statement. ANNEX 1</p>	Resolved	
2.	<p>Unsupported Expenditure on bursaries The statement of receipts and payments reflects an amount of Kshs.83,938,965 in respect to other grants and transfers which, as disclosed in Note 7 to the financial statements, includes Kshs.42,702,843 and Kshs. 24,588,490 being bursary disbursements to secondary schools and tertiary institutions respectively, totaling Kshs.67,291,333. However, the disbursements were not supported by minutes of vetting committee, list of beneficiaries and acknowledgement documents from the recipient institutions.</p>	<p>The bursary disbursements amounting to Kshs.67, 291,333 are fully supported by all the documentations: Minutes, beneficiary lists and acknowledgements. Sample documents including Minutes, Beneficiary list and Acknowledgements are availed for verification. In addition, the payment vouchers have also been attached to confirm proprietary of the funds. Annex 2</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)
	In the circumstances, the propriety of Kshs.67,291,333 on bursaries could not be confirmed.			
3.	<p>Accuracy of Comparative Balance on Project Management committee balance</p> <p>The Financial statement reflects PMC comparative balance of Kshs. 33,574,738 which however is at variance from the corresponding closing balance of Kshs. 23,273,754 reflected in the audited financial statements for the year ended 30 June 2021. The variance of Kshs. 10,300,984 was not explained or reconciled. In the circumstances, the accuracy and completeness of the PMC comparative balance of Kshs. 33,574,738 could not be confirmed.</p>	The management noted that the presentation of the PMC balances for the year ended 30 th June 2021 was not accurate resulting to the inaccuracy of the balances for the current year of audit. However, the discrepancies have been looked into and corrected/reconciled. Attached is the corrected Financial Statement presenting the accurate PMC balances. ANNEX 3	Resolved	
4.	<p>Other Matter: Budgetary Control and Performance</p> <p>The summary statement of appropriation reflects total actual expenditure of Kshs.230, 170, 871 against approved budget of Kshs.251,397,447 resulting to under expenditure of Kshs.21,226,576 or 8 % of the budget.</p> <p>The under-performance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	The underutilization was due to late disbursement of funds by the Exchequer as evidenced by the AIE numbers A888515 and A 895082 of Kshs.12,088,879.30 and Kshs.8,790,000 respectively received on 15 th June 2022. However, the balances which were carried forward to the subsequent financial year were fully utilised in the year into various sectors i.e, Admin and recurrent expenditure, Bursaries, Emergency, Projects and part of it Re- allocated for other uses. Attached are copies of	Resolved	

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)
		the AIEs. ANNEX 4		
5.	<p>Other Matter: Failure to Insure Fixed and Moveable Assets.</p> <p>The financial statements reflect, under Annex 4 on summary of fixed assets register, fixed assets valued at Kshs.43,392,196 as at 30 June, 2022 classified under various categories. However, only assets with values totalling Kshs. 8,107,630 under transport equipment category have been insured while the balance of assets with values Totalling Kshs. 35,284,566 have not been insured contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.</p> <p>In the circumstances, the Fund Management was in breach of the law.</p>	<p>The balance of assets totalling Kshs.35,284,566 is made up of the NG-CDF building and other assets including furniture and ICT equipment. The management has complied to the law by insuring the moveable assets estimated at Kshs.8,107,630 i.e, the NG-CDFC vehicle. Evidence of insuring the vehicle is attached for verification.</p> <p>Annex 5</p> <p>The management has noted the recommendation of insuring the fixed assets and will forward the matter to the NG-CDF Board to seek for further guidance and/or approval.</p>	Resolved	



.....
Name
Fund Account Manager.

